Daily Report

Latin America

FBIS-LAT-95-051
Thursday
16 March 1995

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Cuba

Castro at Versailles: Hope 'Squandering' Does Not Reoccur

FL1503164295 Havana Radio Reloj Network in Spanish 1502 GMT 15 Mar 95

[FBIS Translated Text] National News Agency reports on 15 March that Commander in Chief Fidel Castro began the third day of his visit to France with a tour of Versailles Palace, southeast of Paris.

The Cuban leader and his delegation, visited the castle this cold morning, and received a thorough narrative about this very beautiful museum of French history, where the Republic was proclaimed.

Castro told Cuban reporters that he was able to admire the results of many centuries of work, intelligence, history, creation, and beauty. Castro added that he hoped that the squandering of luxury and inequality displayed in the palace would not happen again.

Castro To Allow Investigations Into Political Imprisonment

AU1503202595 Paris AFP in English 1938 GMT 15 Mar 95

[FBIS Transcribed Text] Paris, March 15 (AFP)—Cuban President Fidel Castro agreed Wednesday [15 March] to allow a team of human rights investigators to visit his country to probe cases of alleged political imprisonment, officials said.

Castro made the pledge during a meeting with Danielle Mitterrand, the wife of the French president, who heads a foundation campaigning for human rights, France-Libertes.

"I have promised to examine these cases of which I have no knowledge, and then to allow a team of international associations led by someone from (Mrs. Mitterrand's) foundation to visit," he said afterwards.

The Cuban leader, who has been on a historic visit to France since Monday [13 March], said that initially human rights groups would be invited to submit a list to him of proposed team members.

Sources close to Mrs. Mitterrand's foundation said the mission will leave for the island state as soon as possible, and will comprise the deputy head of France-Libertes, Raphael Doueb, as well as members of other rights groups.

Amnesty International claims that 500-600 people are imprisoned for political reasons in the island state. It has never been allowed to send an official mission to investigate.

Mrs. Mitterrand said her foundation had been sent a list of 43 names of alleged political prisoners by Amnesty. She added that the pair had discussed the issue of freedom of expression among other issues broached during their meeting.

Castro, who is seeking international support for moves to end Cuba's isolation and specifically to lift the US embargo, has faced strong criticism of his regime's human rights record.

Castro also said he was considering the abolition of capital punishment in Cuba. Mrs. Mitterrand said in a statement that she had expressed her "profound indignation at the inhuman principle" of capital punishment.

The Cuban leader said that the death penalty would be abolished "when the time is right." He did not elaborate.

Castro, who spent part of Wednesday in the wine-growing Burgundy region sampling some of its best vintages, said France was his second favourite country after Cuba.

"I feel profoundly Cuban, but my alternative country is France," he said, praising its revolutionary history. On this point he said: "I feel increasingly revolutionary, because I am increasingly convinced that what we did was right."

Castro: 'I Feel I Am More a Revolutionary Than Ever'

FL1603033295 Havana Cuba Vision Network in Spanish 0100 GMT 16 Mar 95

[From the "NTV" newscast]

[FBIS Translated Text] A visit to the French Liberty Center made today by President Fidel Castro highlights the cooperative relations offered to Cuba by that institution. Its director, Danielle Mitterrand, and her husband, French President Francois Mitterrand, have openly voiced their opposition to the U.S. blockade of Cuba, considering it unfair and contrary to the principles that should govern international relations during the complex times in which mankind lives. [words indistinct]

Following dialogue between Danielle Mitterrand and the Cuban president, both held a news conference with the French and Cuban correspondents who have been following this visit.

[Begin recording] [Castro in Spanish, with superimposed translation into French] In Cuba there have not been any missing people. There has never been a political crime. There has never been torture. But Cuba has written one of the noble pages in matters of respect for man, in matters of respect for human rights. [Words indistinct] illuminate us all. Those are the truths about Cuba. [Words indistinct] is what I can respond to your question.

I have known Danielle personally for some time now. I truly believe that she is one of the most noble and generous persons that I have known. She is sensitive toward human drama [words indistinct] not a caricature

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of Cuba but a [words indistinct] in Cuba in the areas of education and health care, and for the people in the midst of a ferocious blockade. [Words indistinct] does not know a caricature of Cuba. [Words indistinct] for her sensitivity on human issues.

[Unidentified correspondent] The French businessmen are determined to break the blockade.

[Castro] The French businessmen broke the blockade many years ago. They established businesses in Cuba long ago. I have talked about my visit to France as a result of UNESCO's invitation, which was possible at this moment because of France's courageous attitude, especially the courageous attitude of President Mitterrand who did not object to UNESCO's invitation [words indistinct] quality that characterizes the French people on the conditions in which a guest is received.

I should also mention, without hesitation, that I have great admiration for President Mitterrand—for his courage, for his firmness in opposing the unfair and cruel blockade that the United States imposes on Cuba.

I visit not only those I want to visit, but those places where there are brave people not frightened by U.S. pressures or the United States' dislike.

[Unidentified correspondent] [words indistinct]

[Castro] That is why I have always respected President Mitterrand. I can see that his prestige increases and his role in France's history becomes more important. Permit me to say that I believe Mitterrand has written a brilliant page in the history of France. He will be recognized among the great statesmen of France.

[Unidentified correspondent] Do you regret not coming to France before?

[Castro] Since I was small I would have liked to come to France. If I had not been born in Cuba, I would have liked to have been born in France. If I would not have been born in this era, I might have liked to have been born in the era of the French Revolution, the era of [words indistinct]. They were all revolutionaries, but have made the Plaza of Concord and have forgotten all those things. But for me, becoming a revolutionary, reading books on the French Revolution, if I had not been born in this era, which is so interesting, I would have liked to have been born in that era.

I know that perhaps some may not agree with me for being a revolutionary, but there are many more who agree with me for being one. And that is all your fault because you were the inventors of the modern revolution. First of all, you inspired the North Americans in their struggle for independence. And [word indistinct] participated, and the Cubans also participated in the United States' struggle for independence.

You inspired the great philosophers. You provided the theories of revolution. You inspired Marx, Engels, and Lenin. You are also responsible for the Russian Revolution and many other revolutions around the world.

I admire France and I believe the French are proud of their history. That is why I say that as an alternative Fatherland, even though above all, I love Cuba, I would have chosen France. And as an alternative of [words indistinct] France. That is why I say that [words indistinct] perhaps I have some revolutionary genes.

I remember my father was a landowner who had much land. When I was a student I would read books on the French Revolution. My father [words indistinct] in the lower level of the house a revolutionary was evolving, inspired by France's history. Later I had to promote revolutionary laws. We nationalized the lands - that belonged to my father. By then, my father had passed away but he had a sense of history and I am sure that he would agree with what his children did.

[Unidentified correspondent] Do you feel you are still a revolutionary?

[Castro] Today, I feel I am more a revolutionary than ever because everyday I am more convinced that what we did was right. [end recording]

Fidel Castro's Solidarity Conference Address

FL1503201295 Havana Radio Rebelde Network in Spanish 1700 GMT 12 Mar 95

[Address by President Fidel Castro at a solidarity conference in Copenhagen on 11 March—recorded]

[FBIS Translated Text] Dear friends, can you hear? This is all so sudden. I was told that this ceremony would be cultural and that someone would speak before me so that I could have some time to get a feel for the mood, but everything has changed. I enter and see this multitude, so hospitable...[pauses] This one speaks Spanish. I will lose my voice if I speak louder...[pauses] Yes, it does matter. I must deliver an address tomorrow. Just so you know, I do not plan to wear this outfit to the summit. [applause]

I wore my traditional uniform so that you would be sure to recognize me. What can I say about such a warm ceremony? I heard on the radio that a huge ceremony would be held here if I visited Denmark. I told myself: That is one more reason to visit Denmark. [applause]

I was told that I had to come, so here I am. [applause]

I never miss a summit. It takes great fortitude to listen to over 120 addresses. My only concern was that I would be scheduled to speak at 1600. Fortunately, I am scheduled to speak tomorrow morning. The problem was solved, and I am able to be here. I am more attentive right now than when I am listening to address after address at every international summit. I am very glad to be here with you. [applause]

I have always said that what I like most about meetings are the recesses...[pauses as crowd laughs] except when I

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leave a meeting to attend a ceremony like this. This is the only thing that tops a recess.

The world summit is the focus of attention. I do not know how much you know about the summit. I do not know if you approve or disapprove. I do not know if you have read a little or a lot about it. The summit is ongoing. Of course, they will not let me in tomorrow if I speak poorly of the summit today. [applause]

This summit is special in that this is the first time that heads of state and government will meet to discuss social development. This will help increase awareness of this problem. I had the opportunity to participate in the Earth Summit, in Rio de Janeiro. Many heads of state and government who had never worried about the environment, global warming, the ozone layer, other environmental woes, or the environmental crisis surely got the chance to hear about it all. This boosted awareness.

We will now address social problems: unemployment; poverty; illiteracy; and medical needs worldwide, including those of developed countries. It may seem unreal or strange, but the fact is that it is taking place. You have to wonder whether we can truly overcome these difficulties, even if a number of world leaders are willing to do something about it. We speak of social development in a world where social development runs counter to every reality. While it is true that some nations are very rich and highly developed and get richer and more developed with each passing day, the immense majority of mankind is very poor and less developed and gets poorer and poorer with each passing day. The United Nations uses the grating term developing countries to describe them. They do not like the term underdeveloped. Of course, we speak of economically underdeveloped nations. This is also why the term developing countries is used. We are more like underdeveloped countries: The difference, the famous abyss between developed and underdeveloped countries, is widening and not narrowing. Developed countries are swamped with many different kinds of problems. One of the developed world's most difficult problems is unemployment. [applause]

This proves that this model is inadequate when it comes to solving certain problems. [applause]

Jobs are lost with the development of advanced technology, the increase in factory efficiency, and efforts to computerize and automate. [applause]

This is why unemployment is on the rise. There are many other problems, some more acute in some countries than others. All these problems—violence, drugs, etc.—are more acute in underdeveloped countries. [Words indistinct] the Third World was colonized and exploited for centuries. Capitalism was at the root of colonialism and underdevelopment. [applause]

They now speak of capitalism as if it were the answer to the underdevelopment problem. This is a huge paradox. [applause]

Some Third World problems are not even mentioned in the summit declaration and action plan. They mention the fight against poverty but not the unfair trading problem—that is, Third World exports bringing in less and less while the cost of imports from developed countries rises. [applause]

The purchasing power of basic products is not even 30 percent of what it was before World War II. Third World countries are importing more and more and exporting less and less every day. The capital flight problem is not mentioned either. The underdeveloped world is truly financing the developed world. [applause]

They spend more money than they collect every year. How can they develop? How can they eliminate poverty? Capital flight is not the only problem. Minds are being stolen: The best minds and intellectuals have no research or work prospects in their own countries, so they move to the United States and Europe to [words indistinct] which today monopolize the sciences and technology.

As for natural resources, only their exploitation is mentioned. There is practically no mention of the world's basic products in these documents. There is little mention of foreign debt at the conference, except for some talk about suspending some of the debt payments of some of the poorest countries. The foreign debt amounts to more than $1.5 trillion and is growing every year. How can there be social development?

Little is said about the resources needed for development. One suggestion made long ago was that each country allocate 0.7 percent of its gross national product to development. Some smaller, developed countries, as well as some fairly developed countries, do indeed contribute 0.7 percent. We must say in all fairness that Denmark ranks first in this area: It contributes 1.02 percent of its gross national product. [applause]

Mitterrand said today that France contributes 6.3 percent to development. I think the United States contributes 0.35 percent. [crowd jeers]

Everyone thought that the Cold War's end meant that the resources poured into weapons could now be poured into development. The resources are there but are still being poured into weapons. Approximately $1 billion is spent on weapons every year. Why? The Cold War is over. [applause]

Some of you mentioned the environment. The amount of resources poured into weapons could truly reverse environmental trends, if we still have time. Those resources could be used to stop the expansion of the deserts, measures could be taken to prevent global warming, effective measures could be taken to stop acid rain, a program could be adopted to preserve the ozone layer, and other looming natural disasters could be prevented. Those resources could be poured into Third World economic development and worldwide social development. [applause]

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Why do they insist on such a policy? These are today's realities. Speculative capital and investments are growing. These are not productive investments. They are beginning to cause catastrophes in certain countries. There was great panic in Europe over the last few days, following the drop in the value of the dollar and other currencies. No resources will be poured into development as long as these problems exist.

There is no mention of democratizing the United Nations or of the right to veto resolutions. There are almost 200 countries in the world. The General Assembly adopts accords, yet no one complies with them. One country can vote down the will of all the world's nations. The Security Council does not have a proportional regional representation. The United Nations is not becoming more democratic. There is even talk now about an Economic and Social Council with powers beyond the control of UN bodies.

There is no mention of the people's self-determination. There is no mention of national sovereignty. [passage indistinct]

We have built hospitals, schools, daycare centers. How can they tell us that it is possible to preach neoliberalism and social development at the same time? [applause]

Generally speaking, these are the major disparities between the commitment to social development and the realities of today's world. I jokingly told one of my colleagues that we will some day be accused of having been the greatest dreamers this century ever saw.

We must study the sugar-coated documents and consider each of the resolutions a pennant. We must think about it in terms of a poster bearing the resolutions of the Copenhagen summit, the Copenhagen declaration, the summit action plan. We will all sign the action plan tomorrow, despite these weaknesses and pitfalls. We will demand an end to poverty, unemployment, illiteracy, and insecurity. The ideas contained therein ought to benefit the peoples. We must demand this and demand they be fulfilled rather than forgotten. The world has the technology and resources to save itself, but these resources and technologies must be used to benefit the peoples. [applause]

The importance of these conferences—the Earth Summit, the upcoming women's summit, and the social development summit—lies in the awareness that they generate. It is quite rare for all of these governments to get together to discuss social development. There was a time when anyone who dared raise these issues was considered a communist. [applause]

If this summit had taken place 10 years ago, they would have said that a bunch of communists was meeting in Copenhagen to protest unemployment, poverty, and hunger. [applause]

This shows that fair and noble ideas are gaining ground despite today's realities. There is no need to expound on our accomplishments or on what we have been able to preserve despite the harsh conditions of the special period, under an ever more cruel blockade imposed on us. Not one Cuban teacher was laid off after the Socialist bloc and the USSR disappeared and we lost 70 percent of our markets and more than 70 percent of our imports. [applause]

On the contrary, we have more teachers. Not one doctor has been laid off. We turn out more and more doctors every day. Not one hospital, or school, or daycare center has been closed. Not one citizen has been forsaken, despite the fact that we are a poor country and are experiencing exceptional conditions. You cannot imagine the full impact of the blockade, the effort required to do anything and to foster Cuba's development. Yet, we have not taken any of those measures. We may have little, but what we do have is shared in all fairness. How different would the world be if everything it has or might have were shared in all fairness? [applause]

Why is Cuba blockaded? What country has done more for its people than Cuba? [applause]

It has done quite a bit for other peoples, too. The Revolution has sent teachers, doctors, and workers to many Third World countries without ever charging a cent. [applause]

Cuba shed its own blood fighting colonialism, apartheid, and fascism. We hardly ever hear mention of this. [applause]

The Revolution created a sense of solidarity not only with its own compatriots but also with other peoples of the world. [applause]

A total of 25,000 Third World students were on Cuban scholarship at one point. [applause]

Thousands of students from Africa and other nations continue to study in Cuba. Keep in mind that Cuba has also treated more children from Chernobyl—more than 13,000—than all other countries combined. Keep that number in mind: More than 13,000 children from Chernobyl have been and are still being treated in Cuba despite our terrible difficulties. No one mentions that.

And Cuba deserves to be blockaded? Cuba has the highest number of teachers per capita in the world, including the developed countries. [applause]

Cuba has the highest number of doctors per capita in the world. There is one doctor—a truly good doctor—for every 214 people. [applause]

Cuba has the highest number of art teachers and sports instructors per capita in the world. This shows the effort being made. The Cuban infant mortality is less than 10—that is, below the average of developed countries—despite the blockade. [applause]

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Our life expectancy is more than 75 years. Why blockade Cuba? Why commit such a crime against Cuba? No one blockaded apartheid South Africa. [applause]

No one blockaded Pinochet's Chile. [applause]

No one blockaded Guatemala, where more than 100,000 people have vanished since the United States invaded during the Arbenz period. No one blockaded Argentina when the military regime did away with approximately 30,000 people...[pauses] no one knows the exact number. No one blockaded other genocidal governments. Why blockade Cuba, when no other country has done more for its people? Why harbor such hate for the ideas Cuba advocates? So much hate is being directed at Cuba and the resistance it has mustered. [applause]

International solidarity is priceless. It is hard to imagine a ceremony like this, with so many people gathered in Denmark—in this northern realm, in Copenhagen—in so much friendship and solidarity. [applause]

It was not just the hard currency or dollars that we had that allowed us to send a number of delegates from nongovernmental organizations and correspondents to the summit: Thanks to you, they can stay in your homes rather than hotels, eat at your tables, and receive your support. [applause]

We will never forget this. This shows that there is something out there that is more valuable than money. This must be stressed in today's world, a world that prefers to eat money, wear money, and bathe in money. It is important that we be able to say that there are things in this world—where money is everything—that are much more valuable than money: peoples' souls, peoples' hearts, peoples' honor. [applause]

Your support will boost the drive and strength of those of us who struggle tirelessly across the sea. You are living proof that there is a better world out there and that it is possible to live in that better world. [applause]

You are proof that virtue cannot be torn from the human heart and that mankind thrives on virtue. You have demonstrated this not just in ceremonies like this: We also know that for almost 30 years, Nordic brigades have visited, worked, and shared in our sacrifices, efforts, and hopes in Cuba. You have demonstrated to us and to those who believe that we are alone and isolated that we are not alone or isolated and that there are many people like you worldwide...[pauses as crowd applauds] people who boost our commitment, who boost our fighting spirit, and who boost our hopes. The hopes of all good men and women in the world will grow. Doubt not that we will build a better world. [applause]

Thank you, very much. [crowd applauds and chants in Danish]

I noticed that dear Comrade Mandela was very upset during our meeting this morning. He was afraid that he would get caught up in his many appointments and miss this gathering. I was worried about appearing here alone. You were more interested in seeing Mandela. [crowd shouts: No!]

I was worried about appearing here alone. I know that he was upset about missing this meeting and that he feels great affection and love for you and infinite gratitude for all the solidarity you have shown all these years. I would have liked to have shared this moment with him. We are sharing feelings and friendship.

He faces a terribly difficult task. He is discharging his duties with great wisdom, intelligence, and perfection. He is tackling difficulties following the great victory over apartheid. He must maintain unity for there are many factors at play. That is his great commitment. I saw during my trip to South Africa to attend his inauguration the great burden upon his shoulders, the great accumulated poverty which cannot be solved overnight. South Africa has great natural resources and, thanks to his wisdom, could make great progress in the future. We are aware of all the difficulties he must overcome.

I remember chatting with the hotel manager in the hotel dining room on the last day of my stay in South Africa, a German who owned businesses in Chile for many years and spoke perfect Spanish. He mentioned something I had never heard before during our discussion on his staff: White and black workers are not paid the same. A white cook is paid one wage, while a black cook is paid a different wage. I never imagined that apartheid had reached such extremes. I asked him how he managed to keep workers. He answered that he had certain deference toward the workers and that when a relative of the black worker dies, he presents him with some gifts, animals for the funeral rites. I was aware of apartheid and discrimination, but I had no idea of its true scope. Two men hold the same post, yet are not paid the same.

The ANC would have liked to quickly eliminate that problem, but it is impossible to do that overnight. They must carry out their social development program slowly in an effort to prevent chaos nationwide. His plan includes important social development programs. I can affirm that the South African revolutionaries are truly patriotic, combative, and intelligent. I am not speaking on behalf of Mandela, because I really never got a chance to speak with him.

At the last minute...[pauses] They wanted a group photo of all the visiting leaders, a gathering of this large collection of heads of state and government. They said they could print posters if we wanted. If any of the measures are fulfilled, then....[pauses] However, they did not allow the translators to participate. My English is not up to par, although I studied it as a kid and knew basic English and grammar and all that. While the blockade has been unable to stop the Cuban Revolution, it seems to have finished off my English. [applause]

I was unable to talk with Mandela. I wanted to ask his permission to relay a message to you from him. They

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suddenly snapped this prehistoric-like picture, prehistoric-like because the camera reminded me of the kind you would see in my grandparents' day. We were told to smile, and then the camera went bang! I do not know who came up with that technology. They bunched us together and told us—I understood this much—12 times, with six seconds in between shots, or something like that. Then, bang! It was a bit strange. Who can smile for six seconds straight? Then, again and again.

When it was over, they took us to....[pauses] One of the good things about these summits is that they make us experience things like we were one of the masses. We become one of the masses and, as such, are taken here and there. We do not even have union rights. Mandela was suddenly gone. I was unable to see him again; therefore, I cannot relay a message from him. I would have done so with pleasure. [applause]

Panel Discusses Social Development Summit

FL1603025595 Havana Radio Rebelde Network in Spanish 1700 GMT 13 Mar 95

["Straight Talk" program with host Juan Carlos Roque Garcia and guest Eddy Jimenez—live or recorded]

[FBIS Translated Text] [Roque] The social development summit concluded yesterday. It took place last week in Copenhagen, Denmark, organized by the United Nations. There were expectations that the industrialized countries would give true, real aid for the development of the world's poor countries, but these expectations were not met. Today, Eddy Jimenez joins us to close this issue, that is, to give his opinion on this issue of social development.

[Jimenez] Yes, Juan Carlos, the underdeveloped countries woke up today just as poor as they were a week ago. They lost all hope of having their propositions—which in the long run will be the only things that will save humanity from a disaster—even considered. I am talking about saving humanity because social problems are worsening throughout the world. Even the industrialized countries will not have any hope of survival in a world that is suffering ecological damage on a daily basis, caused by wastefulness and poverty. This damage is irreversible. I think that the summit once again proved the powerful countries' lack of political interest in even trying to establish minimal social stability in the world, stability that would slow down our planet's race toward the abyss.

[Roque] Last week on our program on the summit's inauguration, we had discussed that it all came down to asking the rich if they were willing to be a little less rich. This means using their great resources to try to remedy—at least in part—the underdeveloped countries' problems. Eddy, in that program we said that all rich countries would respond together that they were not willing to sacrifice any part of their enormous privileges.

[Jimenez] Yes, I remember that was what we said. From the very beginning, the fact that U.S. President Bill Clinton, Prime Minister John Major, and other Western heads of state would not attend made it very clear that the powerful countries' positions with regard to the poor countries' social development had not changed. During the first days of the summit, in a publicity stunt, Hillary Clinton, the U.S. President's wife, promised that the United States would donate $100 million over a period of 10 years for the education of the poor women of three continents.

[Roque] That's a ridiculous amount.

[Jimenez] Yes, irritated, I calculated that $100 million, divided among the world's 666 million illiterate women, represents an alm of 15 cents per woman—and to be received over a 10-year period.

[Roque] So that's the way—with that insolence—the United States treats underdeveloped countries, countries that are maintaining the United States' high rent per capita.

[Jimenez] I do not want to say that all the leaders of the developed countries maintain the same lack of sensibility. There are exceptions, such as Denmark, Holland, Norway, and Sweden. These countries have complied with the responsibility that the industrialized countries assumed in 1974, by which they would designate 0.07 percent of the national gross product as aid to development. By the way, even back then, that amount was insufficient. Certain leaders—who did attend the summit—manifested their concern that the unfulfilled compromise would be hindered even further because the summit adopted a recommendation that stated that developing countries would dedicate 20 percent of their budgets, and developed countries 20 percent of their aid—so-called aid, because it really is a loan—to the development of social investments. No wonder that's why some think that the recommendation—remember, I am referring to recommendation, not agreement—will help the industrialized countries forget the real compromise they accorded in 1974. That accord stated that they would aid the Third World with that previously-mentioned 0.07 percent. This is very different from giving these countries loans.

[Roque] Eddy, after the United Nations' 50 years of existence, why have they waited for the distance between the industrialized and the underdeveloped countries to be so enormous to begin to talk about social development? Even though it may be sad that they have waited so long, at least now they are trying to discuss these issues, and perhaps even reach certain agreements.

[Jimenez] This is a positive aspect of the summit. At least, it is a timid effort to try to gain awareness and reach agreements between the rich and the poor. However, I confess I am very skeptical about this. I ask myself: What is going to happen now that the gorge between the rich and the poor is getting wider everyday?

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I think that what awaits the underdeveloped world in the near future are huge economic and social convulsions. These convulsions could lead to destabilization of the existing status. I am convinced—due to the economic interrelations in today's world—that this would draw the industrialized countries into the same crisis.

[Roque] A good example of that is Mexico's recent crisis.

[Jimenez] Exactly. We saw from the very beginning how the crisis caused the plunge of the U.S. dollar. The United States tried to stabilize Mexico's economy by lending them money, thus protecting its own economy. Now we see, however, that during the social development summit, no highly developed country—poverty in the Third World is actually beneficial to these countries—accepted the idea of transferring resources from the North to the South.

[Roque] It is one thing to loan money, which will produce dividends due to the interest collected, and another to allocate funds to really helping countries with their development.

[Jimenez] Unfortunately, this summit was only about intentions, even though there were 118 heads of state in attendance. Intentions and hopes from the poor, and indifference from the rich. The summit's official documents do not address what truly affects the underdeveloped countries. The documents signed by the heads of state mention the consequences of underdevelopment, but make no mention of the causes that generate underdevelopment. As Fidel stated in his speech, everything is just a huge lie. Social development cannot coexist with unequal distribution, nor with the payment of the external debt, which taxes the few resources that the underdeveloped countries acquire and finances the rich countries. All of this, plus the unjustified arms race in a unipolar world and neoliberalism, all of which serve to make the poor poorer and the rich richer.

[Roque] I have here the 10 agreements signed by the heads of state at the summit. If we analyze them, you can see they are impossible to implement due to the world's current situation. All of these agreements are conditional upon the industrialized countries changing their policies toward the underdeveloped countries.

[Jimenez] The first agreement states that the industrialized countries will create an economic, social, political, legal, and cultural structure that will favor social development. The fact is that this conditions the rest of the agreements because, one would ask, what resources do the poor have for doing this? I am going to refer to the other agreements. The second agreement is on eradicating poverty in the world.

[Roque] I wonder if the poor are in a condition to free themselves from poverty in a world where a minority live in opulence, thanks to the poor's poverty. That minority is not interested in changing that situation.

[Jimenez] The third agreement is on the promotion of employment, and this in a time when unemployment is increasing, even in the industrialized countries, thanks to technological breakthroughs. The fourth agreement addresses social integration through organizations whose concern would be to promote and protect human rights. We ask, what human rights are they talking about in a social system where the majority lack the elemental right to survive. The fifth agreement is on promoting respect for human dignity, and that men and women are to be treated equally, as if respect for human dignity and equality between the sexes were not related to the imbalance between rich and poor. All of the agreements are unviable in the world's current situation. They are dreams that can only be reached in societies that do not base their existence on the exploitation of others.

[Roque] Also in some societies—even if that situation did exist—where the powerful recognize that their never-ending egoism and lust for riches will compromise their own existence sooner or later.

[Jimenez] The last agreement to which I want to refer—ironically all of the agreements refer to the consequences, and not to the causes—is the seventh, which broaches the issue of accelerating social and economic development, as well as human resources in Africa and the other underdeveloped countries, as if anyone was not aware of the fact that the looting of Africa by the rich countries has been and still is the cause of poverty in many African countries.

[Roque] There is something very real in what you have just said. Until the Southern countries are ready to become a real unified front, which will force the powerful countries to change their policies, it will not be possible to speak of real social development agreements. We have just witnessed this at the summit in Copenhagen.

[Jimenez] However, this will be very difficult to achieve because the national bourgeoisie of these countries—who aspire to installing themselves in the First World—control the destinies of these countries, and better distribution of wealth between North and South would imply better distribution within their own countries. Therefore, they would never accept this. The route to follow would be individualism. I mean that separately—running the risks and dangers of attacks from powerful enemies—these countries would decide to maintain people-oriented systems, which is what Cuba has done. This system is aimed at trying to avoid those huge social unbalances.

[Roque] I think that for now, that is the only choice we have.

[Jimenez] Yes, the same one that the underdeveloped world will have to accept—against adversity—sooner or later.

[Roque] As a summery, give me three main ideas with regard to the summit in Copenhagen.

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[Jimenez] I would say, disillusion, indifference from the rich countries, and unfortunately, that time for solving humanity's great problems is running out.

[Roque] Thank you, Eddy Jimenez, for being here today.

U.S. Admits Attempts To Stop French Trade With Cuba

FL1603020495 Havana Radio Rebelde Network in Spanish 1800 GMT 15 Mar 95

[From the "National Radio News"]

[FBIS Translated Text] The systematic policy of isolation practiced by the United States against Cuba for over 30 years came to light once again on 15 March. The United States Embassy in Paris admitted to having sent a letter to the French Foreign Ministry and the National Council of French Employers trying to prevent them from trading with Cuba, evoking the risk of purchasing goods that had belonged to U.S. citizens in Cuba before the triumph of the Revolution.

Despite the implicit threat, Cuban President Fidel Castro met with approximately 300 business and banking leaders. During his address at the National Center of French Employers Headquarters where the meeting took place, Fidel commended the courage of the participants in resisting U.S. pressure.

Jean-Pierre De Georges, vice president of the National Center of French employers, highlighted the historic and unprecedented nature of the meeting between the leader of the Cuban Revolution and a community of European businessmen.

Robaina Comments on 'Substantial Transformations'

PY1403173395 Montevideo LA MANANA in Spanish 2 Mar 95 p 17

[FBIS Translated Text] Cuban Foreign Minister Roberto Robaina has reported that his country is furthering its opening drive. He said Cuba has begun some "substantial transformations," among which he mentioned a new law on investments, the spawning of free-lance workers, and the promotion of more aggressive agricultural and industrial markets. Robaina said this endeavor has already entailed relations with "about 1,000 private companies from 107 countries."

Robaina came to Montevideo to attend the presidential inauguration. He told this to the "En Perspectiva" radio program.

As expected, the Cuban foreign minister explained the detrimental effect of the U.S. blockade, which he named as "the first blockade." He considered the "second blockade" arises from the fall of the communist world in 1989, ("which was an assurance for us because we could count on their friendship to give us respite by purchasing our production")—while the "third blockade" stems from "our own economic limitations."

Robaina conceded that one of these limitations was having pursued an income distribution policy that "bears little relation to reality." He noted: "If we are going to change, we should not wait until the Americans change their attitude towards us." He said U.S. entrepreneurs must be looking forward to the lifting of the blockade so as to take advantage of Cuba's private investment facilities.

He said: "Cuba must be part of the community of nations again and enhance its relations with other countries while keeping the essence of its system. We are now in a position to say that we have gained significant space." Replying to a question on this space, Robaina mentioned the new law on investments, new tax laws, a major liberalization of the free-lance market, and the fostering of agricultural and industrial markets." [no opening quotation marks as published]

The Cuban foreign minister promised his country will continue to pursue a radical state reform through an income distribution policy "that conforms to reality." He further added that his government is committed to reducing the number of government agencies that intervened in most Cuban productive activities—from 50 to 30 to start with—leaving them in the hands of foreign private companies established in Cuba.

Robaina commented on the expansion of the free-lance network, like shoe or television repair shops, which are ideal in solving minor problems that large companies cannot do efficiently.

He praised "the achievements" of the Revolution in the field of health care and underscored that in other basic areas—like housing and transport—"we are coping, although difficulties still persist." He said that the downsizing of the state prompted the transfer of redundant officials to sectors "that are now thriving like tourism, which has become the top money-making activity after th sugar industry."

Paper Calls Guantanamo Rafters 'Prisoners of Disdain'

PA1503185495 Havana PRENSA LATINA in Spanish 1510 GMT 15 Mar 95

[FBIS Translated Text] Havana, 15 Mar (PL)—The newspaper GRANMA today said the illegal Cuban migrants held by the United States at Guantanamo Naval Base are prisoners of the disdain displayed by U.S. authorities.

In a full page article in today's edition, GRANMA publishes photocopies and details [words indistinct] instructions and written orders the U.S. Southern Command in Panama distributed among the so-called rafters who were transferred from that country to Guantanamo.

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The newspaper indicates that the treatment outlined in this document, as well as accounts by Panamanians who worked in the confinement centers set up in Panamanian territory for Cubans for a period of several months, shows the price those Cubans have had to pay for choosing to become prisoners of disdain.

The conditions faced by the Cubans transferred from Panama included the obligation to wear identification bracelets and carry identification cards at all times, reminiscent of World War II-era Nazi concentration camps. If they failed to meet these conditions, they were liable to be punished.

One of the Panamanians who worked at the camps said that, shortly before the start of the operation known as "Safe Passage," U.S. soldiers burst into Camp 1 at dawn and, using sticks, beat those rafters accused of being the leaders of protests at the camp.

Some of those sent to Guantanamo made the trip with their feet, arms, and waists shackled, and all of them were given a strong sedative to help keep them immobilized inside the airplane.

The leaflets distributed to the illegal migrants warned that the transfer would be conducted "with or without your cooperation," and they added that the U.S. Armed Forces were authorized to use any force necessary to ensure the completion of the operation.

GRANMA explains that this incident is one more proof of the historic disdain shown by the United States toward Cubans and other Latin Americans.

It is the Messianic delusion of people who believe they are "chosen" and are superior to others, a delusion that has built up through the years with U.S. hegemonism, the article concludes.

Alarcon Interviewed on Socialism, Economy

PY1503143095 Buenos Aires CLARIN in Spanish 12 Mar 95 p 30

["Summary" of a "two-hour interview" with Ricardo Alarcon, Cuban National Assembly of the People's Government president, by Oscar Raul Cardoso "just over a week ago" at the National Assembly of the People's Government building in the Marianao District of Havana, Cuba]

[FBIS Translated Text] [Cardoso] Having spent a few days in Cuba viewing the changes being implemented, I have a curious feeling. It seems the government is implementing a perestroyka (economic reform) and glasnost (political reform), without saying so. Is this correct?

[Alarcon] No, no. Everything is clear here. The fall of the socialist bloc has imposed upon Cuba the most difficult period in its entire history, not just of the revolution. This is what we call "a special period for times of peace" and it is much worse than we ever imagined. It is tempting, but not accurate, to talk about perestroyka and glasnost, because these two experiences reflect a reality that is very different from our situation and—as Cuba noted at the time—both produced undesirable results wherever they were implemented. In Cuba, we are using some market mechanisms to salvage the revolution's basic achievements.

[Cardoso] For visitors, at least, the situation indicates something deeper. Does genetic engineering as a property not promote ruthless capitalism as in today's Russia? Does the toning down of the Marxist discourse and the emphasis on Jose Marti's and Antonio Maceo's nationalism not represent another form of glasnost?

[Alarcon] The threat of ruthless capitalism? That would be impossible in Cuba. Unlike any other Latin American country, Cuba has a historical duty. In Cuba, even the first masonic lodges of our independence pledged in their oaths to eliminate the exploitation of men by other men. If not, the reforms—the levying of taxes, the deregulation of markets, and price increases on products like tobacco and alcohol—could not be implemented here without a painstaking and lengthy process of plebiscites.

[Cardoso] Salvaging "the revolution's basic achievements" does not sound like salvaging the entire revolution ...

[Alarcon] Education and health, because of their obvious importance, represent priorities. It is impossible to delude oneself. Cuba's current efforts—the difficult times and some painful economic reforms—seek to salvage Cuban socialism.

[Cardoso] Is it not paradoxical that while you are facing these changes, the turn to the right by U.S. society seems to reduce the chances of ending the blockade?

[Alarcon] We are implementing these reforms because they are objectively necessary, not to please anyone. With regard to the U.S. turn to the right, I do not agree with this interpretation. Maybe Bill Clinton, or a possible moderate Republican president like Bob Dole, could give everyone a surprise on this issue. On the other hand, how much damage can they still mete out?

Economy Minister Defines 1995 Goals to Workers

FL1503185895 Havana Radio Reloj Network in Spanish 1505 GMT 15 Mar 95

[FBIS Translated Text] Osvaldo Martinez, minister of economy and planning, has participated in a meeting with all workers, where 1995 goals were defined. In 1995, the ministry will continue with the process of revitalizing and transforming the economy, to achieve more efficiency, and proceed with the measures implemented so far.

Martinez called the plan a serious but spiriting challenge, and added that he hopes to add 1995 accomplishments to 1996 goals.

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GRANMA reports that highlighting the effective role of the national economic plan is being studied, with emphasis on the validity and need of regulating and planning with regard to the current transformations.

Also, the 1995 agenda includes perfecting the national statistic system for predictions, extending its coverage, flexibility, and speed, in the context of the new economic realities.

Says Economy To Pursue 'Greater Efficiency'

PA1603042495 Havana PRENSA LATINA in Spanish 1539 GMT 15 Mar 95

[FBIS Translated Text] Havana, 15 Mar (PL)—Today, Economy and Planning Minister Osvaldo Martinez confirmed Cuba will continue to reactivate and change its economy in pursuit of greater efficiency.

Martinez unveiled the 1995 working plan for the organization he heads at a meeting with the workers of that organization and said the coordination, adjustment, and follow-up of the economic measures already taken will continue during that period.

A larger prevalence of the economic planning and regulation in combination with ongoing changes, including greater business autonomy, diversity in the types of properties, and prioritization of the accounting, financial, and managerial methods, are among the announced guidelines.

The Economy Ministry will support the decentralization and self-financing of the works of the territorial structures, as well as the continuation of the cleansing of domestic finances.

According to an article the newspaper GRANMA published today, the economy minister advocated at that meeting an improvement in the drafting of a business management system in line with the new conditions existing in the country and in the balance and control of fuels, foreign exchange, and foodstuffs, which are described as strategic elements.

Villa Clara Spring Sugarcane Planting Situation 'Tense'

FL1603020795 Havana Radio Reloj Network in Spanish 2046 GMT 15 Mar 95

[FBIS Translated Text] The Spring sugarcane planting situation is tense in Villa Clara because only slightly more than 241 caballerias of the 700 planned have been planted to date. A total of 185 caballerias have been planted in the complexes of the province's coastal areas, where almost 600 caballerias are expected to be planted. Batalla de Santa Clara enterprise has planted the largest area this month. Even the leading enterprise's results are unsatisfactory, however, under today's conditions. The complexes with the worst planting results include Sagua la Grande, [Antonio Pinalec], and Hector Rodriguez, which were affected by excessive moisture in their fields that restricted soil tilling and preparation.

New Control Commission 'Style': Direct Contact, Evaluations

FL1503161495 Havana Radio Rebelde Network in Spanish 1255 GMT 15 Mar 95

[From the "Doing Radio" program]

[FBIS Translated Text] A government control commission visited Pinar del Rio Province in October 94, and issued over 600 recommendations. Recently, over 70 delegates of 23 organizations have ended a two-day visit to San Cristobal Municipality, to assess the effective implementation of these recommendations, using a new style of direct contact with the people, and evaluation of results.

Division General Ulises Rosales del Toro, member of the Politburo and the Cuban Council of State, commended the serious efforts made to comply with the prior control visit recommendations. He stated that there are noticeable advances in all sectors, though it is still necessary to improve efficiency, and increase public mobilizations to solve the specific problems of each community.

[Begin Rosales recording] However, we cannot be totally satisfied at the time of our visit's final evaluation, because the results achieved, specially on the main issues to resolve the municipality's problems—such as food and sugarcane production—are still totally unsatisfactory. [end recording]

Rosales added that there is a specific plan for the special period in San Cristobal, which follows the guidelines of Commander in Chief Fidel Castro, and the control visits will continue. He stated that the goal is to visit all Cuban provinces in 1995.

Maria del Carmen Concepcion Gonzalez, first secretary of the Party in Pinar del Rio, and other provincial authorities accompanied the visitors.

Roundup of Politburo Members' Activities

FL1503162895

[FBIS Editorial Report] The following is a compilation of reports on the activities of members of the Politburo of the Cuban Communist Party Central Committee monitored through 15 Mar 95.

During a Ceremony held in Havana City Province marking press workers' day, Esteban Lazo, first secretary of the party in that province, called on the workers of that sector to eliminate inertia. (Havana Radio Progreso Network in Spanish 1200 GMT 9 Mar 95)

In Granma Province, Jose Ramon Balaguer praised the efforts of workers of the Luis Enrique Cardoso Agroindustrial Complex for having met their production goal. (Havana Radio Progreso Network in Spanish 1200 GMT 9 Mar 95)

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Yadira Garcia, first secretary of the party in Matanzas Province, participated in the reopening of the province's health and beauty spa for the benefit of the population. (Havana Tele Rebelde Network in Spanish 1730 GMT 9 Mar 95)

Yadira Garcia Vera, member of the Politburo, has given recommendations to agricultural workers participating in the Fatherhood or Death movement in Matanzas Province to increase sugarcane milling levels, sugar factory yield, and tubers and vegetables production. (Havana Radio Rebelde Network in Spanish 1000 GMT 10 March 95)

Yadira Garcia Vera, member of the Politburo and first secretary of the Party in Matanzas, chaired a meeting in Jovellanos on 10 March, to discuss technical and industrial problems in the province's sugarcane harvest, and the organization and financing of the 10th forum of science and technology. (Havana Radio Rebelde Network in Spanish 1000 GMT 10 March 95)

Nelson Torres, member of the Politburo and sugar minister, has called on sugarcane workers in Ciego de Avila to take advantage of March's good weather conditions to increase sugarcane yield. (Havana Radio Progreso Network in Spanish 1200 GMT 10 March 95)

Alfredo Hondal, member of the Politburo and first secretary of the Party in Ciego the Avila, attended the inauguration of Cuba's first desalinization plant in Cayo Coco. (Havana Radio Rebelde Network in Spanish 1255 GMT 11 March 95)

Nelson Torres, Politburo member and sugar industry minister, awarded millionaire status to the Manifesto de Abril Brigade in Colombia Municipality, Las Tunas, the province's sixth manual cutters brigade to receive the award in the current harvest. In Jobabo Municipality, Torres established the Protesta de Baragua sugarcane farm, the first of its kind in Cuba, which will be tended by Revolutionary Armed Forces military and civilian workers. (Havana Radio Reloj Network in Spanish 2047 GMT 13 Mar 95)

Esteban Lazo participated in a ceremony organized by Federation of University Students [FEU] honoring student leader Jose Antonio Echevarria on the 38th anniversary of his death. Lazo also named the Havana delegates who will participate in the upcoming 15th FEU congress 22-26 March. (Havana Radio Rebelde Network in Spanish 0000 GMT 14 Mar 95)

Yadira Garcia visited the Antonio Maceo Sugarcane Complex Cooperative where she was briefed on the workers' sugarcane harvest efforts. (Havana Radio Rebelde Network in Spanish 1000 GMT 14 Mar 95)

Yadira Garcia has visited the Jose Smith Comas Sugarcane Complex and the Roberto Fernandez Cooperative in Cardenas Municipality, Matanzas Province, where she was briefed on the sugarcane and potato harvests, respectively. (Havana Radio Rebelde Network in Spanish 1000 GMT 15 Mar 95)

Haiti

Aristide, UN, U.S. Envoys Meet on Mission Transfer

FL1503230795 Port-au-Prince Signal FM Radio in French 1130 GMT 15 Mar 95

[FBIS Translated Text] In anticipation of the transition from the multinational force to the UN Mission in Haiti [MINUHA], action has been occurring among the concerned entities. A second tripartite meeting is scheduled in Port-au-Prince for 15 March. President of the Republic Jean-Bertrand Aristide; the UN secretary general's special representative, Lakhdar Brahimi; and the U.S. ambassador will meet for the second consecutive day today. The debates will turn on the modes of transfer of power between the multinational force and MINUHA, in view of the second phase of Resolution 940 voted by the UN Security Council.

The first phase of this resolution provided for an imposing force whose mission was to drive out the military leaders who had grabbed power, and then to pave the way for the deployment of MINUHA, which will have the task of preserving the safe, stable climate created by the multinational force, and especially to guarantee order during the country's upcoming elections. The transfer of power is scheduled for 31 March in Port-au-Prince. Several heads of state, including President Clinton, will attend this ceremony, along with UN Secretary General Butrus Butrus-Ghali.

Government Requests Extradition of FRAPH Leaders

FL1503220695 Port-au-Prince Radio Metropole in French 1700 GMT 15 Mar 95

[FBIS Translated Text] According to an unofficial source, the Haitian Government has officially asked its U.S. counterpart to extradite Emmanuel Constant and Louis Jodel Chambelain, the two principal leaders of FRAPH [Revolutionary Front for the Promotion and Progress of Haiti]. This request for extradition has been handed over by the Haitian Ministry of Justice to U.S. diplomatic representatives in Port-au-Prince, who have the responsibility of passing this request along to the U.S. Government. This information has not been officially confirmed by the Haitian Government.

It should be recalled that the U.S. Embassy had recently indicated that Washington would be willing to extradate FRAPH coordinator Emmanuel Constant, who managed to travel to the United States by getting an entry visa from Puerto Rico. While confirming the presence of Constant on U.S. territory, the Embassy advised that Immigration Services have not yet identified his specific place of residence.

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Pro-Lavalas Parties, Groups Form Election Platform

FL1503235495 Port-au-Prince Signal FM Radio in French 1130 GMT 15 Mar 95

[FBIS Translated Text] The Lavalas Political Organization has formed a platform. The lavalas movement today includes three parties, the objective of which is unity within the 16 December 1990 family for the 4 June elections. The 16 December family has formed its front, its political platform. The news has come as a bombshell. After several meetings around the table in both Port-au-Prince and the provinces, the dream is materializing. A lavalas platform has been born. This has been confirmed by Choiseul Henriquez, one of the spokesmen for the movement, in an interview with Signal. The logo is simple: One table with four people around it. We well understand the passage from ideology to practice. The members of the family include Gesner Comeau's Movement for the Organization of the Country, Renaud Bernadin's Open the Gate Party, the Lavalas Political Organization, and other friends of change and democracy.

[Begin Henriquez recording, in Creole] We have managed to set up a political platform called lavalas. This political platform includes three political parties. It also includes other people's organizations, and individuals who are not members of any of these political parties, but who are willing to work for the change that these people have long been seeking in the country—we could say since 7 February 1986. So, on the whole, this is how things are. Lavalas will go to the elections. We will participate in the elections—the legislative, communal, and local elections—on 4 June. We will run under the lavalas banner. Our symbol is a table with four people sitting around it, representing the large lavalas family. I should also tell you that lavalas does not... [pauses] that we in the lavalas movement are not practicing exclusion. This means there is room for everybody around the table, under the condition that they respect the rules of the democratic game, were not involved in the coup d'etat, and were not involved in the assassinations committed against these people for the past three years, the three years since the 30 September 1991 of coup d'etat. [end recording]

That is it. You heard it yourselves: Lavalas will participate in the elections at all levels. Finally, Choiseul pointed out the nonexclusive character of the movement. He explained that new members are welcome to broaden the 16 December family, but they must be democrats who were not involved in the 1991 coup d'etat. Choiseul Henriquez concluded that what is important today is building the lavalas family.

Pro-Lavalas Organizations Meet To Preserve Unity

FL1503224595 Port-au-Prince Signal FM Radio in French 1130 GMT 15 Mar 95

[FBIS Translated Text] Unity is being sought in the southeast. About 350 representatives of people's organizations in the country's Southeast Department, comprising the Grand'Anse Resistance Coordination [Coordination Resistance de la Grand'Anse] and the Union of People's Forces of the North [Union des Forces Populaires du Nord] met on 11 and 12 March. The objectives pursued by the participants of this meeting were to maintain and preserve the unity that existed among the grassroots organizations in the past, and to convince the political leaders of the democratic sector of the need to consolidate their forces and build a departmental organizational platform. The representatives of the communes, districts, and communal sections took the opportunity of this congress to air the various problems they are facing in their respective areas. As a result of this meeting, they formed a provisional platform within the context of June's elections. We will talk about this platform, the lavalas platform, later.

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25 Percent of Stabilization Package Already Disbursed

PA1503160495 Mexico City EL FINANCIERO (ANALISIS Supplement) in Spanish 14 Mar 95 p 3A

[Report by Victor Felipe Piz]

[FBIS Translated Text] Less than one month after the Mexican and U.S. Governments signed loan agreements—agreements that were negotiated by their central banks, the Mexican Finance Secretariat, and the U.S. Treasury Department—our country has already used 25 percent of the stabilization package.

Through foreign exchange swaps, federal authorities have used $5 billion of the $20 billion agreed upon with the United States to reduce the volatility of financial markets and to pay government dollar-denominated, short-term debts, including federal treasury bonds (Tesobonos).

Mexico also has disbursed 42.5 percent ($7.568 billion) of a contingency loan granted by the IMF. This money has been added to the central bank's international reserves.

The government was able to reduce Tesobono circulation by $5.174 billion, including $1.442 billion through advanced liquidations, and to pay $1.248 billion in commercial bank certificates of deposit.

The use of part of the international line of credit, however, did not prevent an 18 percent increase from occurring in the interbank exchange rate, which has gone from 5.45 new pesos per dollar in early February to the current level of 6.43 new pesos per dollar.

This information was released in an study undertaken by EL FINANCIERO based on data furnished by the Finance and Public Credit Secretariat and the Bank of Mexico [Banxico]. The study shows that of the $12.568 billion international financial authorities and international financial institutions [IFI's] have granted since early February, $6.422 billion (51.1 percent) has been used to amortize Tesobonos and bank debts, while another $6.146 billion was channeled into the domestic foreign currency market.

We must recall that following the peso's devaluation, the Mexican Government promised to honor commitments it made in the Agreement of Unity To Overcome the Economic Emergency, and it also established an exchange rate stabilization fund with resources from other countries—money mainly provided by the United States and IFI's.

In all, the aforementioned agreements gave the country access to foreign capital totaling $51 billion to support the stabilization of financial markets, particularly the foreign exchange market, and to guarantee public sector solvency and liquidity through the swap of short-term domestic debt for long-term foreign debt.

The free floating peso-dollar parity, however, has been very volatile since mid-February because of speculation and uncertainty among investors who demanded a new economic program. This situation was compounded by a lack of enthusiasm and a lack of confidence among investors, which stemmed from political problems that have increased financial instability.

Government efforts to reduce pressure on the exchange rate required Banxico's intervention, because increases in domestic interest rates failed to prevent the price of the U.S. currency from exceeding 8 new pesos. To maintain an exchange rate below 6.5 new pesos, $6.146 billion was disbursed in just 29 days of operation.

From early February to the present, the federal government has removed $5.174 billion worth of Tesobonos from circulation, including the advance payment of notes worth $1.442 billion. This has led to a $17.9 billion reduction in bonds pegged to the dollar, which are in the hands of the population.

Within the same period, the multi-tiered banking sector's foreign currency-denominated debts declined by about $1.248 billion. In the end, in just one and one-half months, national authorities have used $12.568 billion of the credits granted by the U.S. Government and the IMF.

Under Secretary Cited on Economy, Trade Pacts

PA1503162695 Mexico City NOTIMEX in Spanish 0112 GMT 15 Mar 95

[FBIS Translated Text] Mexico City, 14 Mar (NOTIMEX)—Commerce Under Secretary Jaime Zabludovsky today said Mexico's current economic situation will in no way hinder trade agreements with other countries.

After participating in a seminar sponsored by the National Association of Importers and Exporters (ANIERM), Zabludovsky said negotiations with various Latin American nations will continue in 1995. He recalled that Mexico has signed free trade agreements with Canada and the United States, as well as with Chile, Bolivia, Venezuela, and Costa Rica, and is currently conducting negotiations with other countries.

"Our nation is still negotiating with Central America's Northern Triangle—El Salvador, Guatemala, and Honduras—and it is also holding talks with Nicaragua," he added. Zabludovsky noted that the negotiations are currently at various stages, adding that talks with Nicaragua are quite advanced and could conclude soon, thereby opening more new markets for Mexican exports.

Zabludovsky stressed that one of the Commerce and Industrial Development Secretariat's main tasks is to effectively handle Mexico's trade agreements to guarantee their full implementation and take advantage of export opportunities.

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Regarding NAFTA, Zabludovsky said trade with the United States totaled just over $100 billion in 1994, while exports to Canada increased approximately 20 percent.

Regarding the Economic Complementation Agreement signed with Chile, which has been in effect since 1 January 1992, Zabludovsky said that last year Mexican exports to that nation totaled $260 million—a 31 percent increase over 1993.

The Mexican, U.S., and Canadian Governments are currently reviewing the terms and guidelines for Chile's entrance into NAFTA, he added. According to Zabludovsky, representatives from the four countries will sit down at the negotiation table to discuss Chile's integration to NAFTA.

Secretariat Begins Discussions on Price Adjustments

PA1603033495 Mexico City EL FINANCIERO in Spanish 14 Mar 95 p 29

[Report by Arturo Gomez Salgado]

[FBIS Translated Text] The Commerce and Industrial Development Secretariat [Secofi] began new discussions yesterday on the agreements to put price adjustments in line with the new outlooks of inflation and the exchange rate (42 percent and six new pesos to the dollar), according to Secofi head Herminio Blanco Mendoza.

"We must check with each of the sectors with which we have reached agreements and ensure that we have realistic conditions, that the hikes in prices reflect the hikes in the costs they have had and are going to have in coming weeks. It is most important that these hikes in prices allow sectors to become more competent and continue producing."

The official admitted the expectations considered at the beginning of the year have been broken, and it is necessary to revise once again the parameters of the macroeconomic framework, taking into consideration the hikes in the production costs of the enterprises, in view of the new increase in the peso-dollar exchange rate.

He said the most expensive products are the ones not found on the market, and, therefore, it will be necessary to grant increases in the prices of goods that the enterprises produce for guaranteeing their necessary economic feasibility.

"Our goal is for the enterprises to operate soundly and that there not be an unnecessary elimination, which will only worsen the production and employment crisis we are experiencing."

The secretary of commerce and industrial development said the agreements will seek that prices only increase by a necessary minimum and maintain the expectation of closing this year with a 42-percent inflation.

Blanco said the talks will begin today with each of the business chambers. These chambers must present reports reflecting their increase in production costs. After these reports are analyzed, there might be an increase in the prices of the goods they produce.

"We will prevent a continuation of the dangerous decapitalization in factories."

He said a program to develop the export sector will be prepared this month based on a strategy to recover the economy and to correct the current account, the deficit of which "is extremely high and leaves us without adequate margins to operate."

He hopes the reorganization of the liabilities of the productive plants as announced on 9 March will allow a considerable increase in production and a greater offer of goods and services. He said the banking system has looked closely at this plan, which seeks to recover productive enterprises that generate a high number of jobs.

He believes that with international financial support and the monetary policy that has already been applied by the federal government, we will have a true stabilization of the exchange rate within a short period and even a significant drop in inflation in the second semester of 1995.

While participating in the 51st seminar of the National Association of Mexican Importers and Exporters (ANIERM), Blanco Mendoza said that sales abroad grew by 35 percent in the first month of 1995 alone and that there was a significant drop in the trade balance deficit.

"We are on the right path, and the important thing is maintaining the current level of trade for a more rapid recovery of our economy," he concluded.

During the same meeting, the president of the Business Coordinating Council (CEE), Luis German Carcoba Garcia, said there will be no production or growth this year that will allow a reversion of the accumulated negative trends due to the dramatic lack of liquidity occurring in the country.

He said part of the success of the strategy announced on 9 March will be to maintain an exchange rate that is intelligently undervalued in order to avoid the errors of the past that resulted in an abrupt suspension of the economic program.

Interviewed after his participation in the ANIERM seminar, he said there is no break between entrepreneurs and the government. The reason why an agreement for the current adjustment program has not been signed is because there was no agreement in various points of view, particularly in the increase of taxes, he concluded.

Report on Banks' Financial Situation

PA1503045495 Mexico City EL FINANCIERO in Spanish 13 Mar 95 pp 4,5

[Report by Rosa Elba Arroyo]

[FBIS Translated Text] Mexican banking institutions are practically cornered due to various adverse elements: The interest rates' tendency to rise considerably

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decreases operation profits; the substantial increase in matured portfolios; the insufficient reserves against credit risks; capitalization demands at a time when majority and minority partners lack resources; and the appearance of foreign institutions in better conditions.

All these elements point to an eventual banking crisis, in which slightly more than $23 billion would be required to rescue the banks from ruin and closure.

Out of that figure, Mexican banks would need $19.168 billion to cover deposits alone and to counter an emergency situation like the one described.

The firm Credit Administration System, Inc. (SAC) states this based on a Multiple Bank Statistics Bulletin issued by the National Banking Commission in December 1994. SAC states that, out of 18 national banks, Inverlat, Probursa, and Mexicano figure prominently due to their "very high" risk levels.

This is established based on technical indicators such as the degree of feasibility of payment (proportion between the amounts that represent assets marketable in the short term and deposits made by their account holders). According to the SAC, this reflects the banks' ability to pay in the event their clients decide to withdraw all their deposits.

In other words, "a bank with a degree of feasibility equivalent to, or higher than, 1.00 is in a better position to attract deposits and pay them."

Out of the 18 national banks analyzed by SAC, only the Northern Mercantile Bank (Banorte) achieves that degree of feasibility. Of the remaining 17, the banks that figure more prominently in approaching that degree are Promex Bank, Inc. and Banpais, Inc.—the latter was intervened due to "irregularities in its management"—with a 0.96 and 0.91 degree of feasibility.

"Based on the degree achieved, you can see the approximate value of the required financial bailout package in billions of dollars so that, in case of an emergency, banks may have a feasibility degree equivalent to 1.00," the SAC states.

Thus, the enterprise's study shows Banamex [National Bank of Mexico] and Bancomer [Bank of Commerce] would require the largest amounts—$4.4597 billion and $4.2597 billion, respectively.

They are followed by Serfin, which would require $2.2838 billion; and it is followed by Inverlat, with a total of $1.74 billion.

The banks' situation is not new; concern about risk levels and matured portfolios has become a daily occurrence, particularly after the crisis broke out, imposing a constant increase of uncollectable loans.

The Operation

In view of money market operations carried out at rates considerably lower than current ones, most banks reflect significant losses in their accounting reports, the same as in their clients' investment portfolios and in debt investment certificates.

In the case of banks, the fact that these operations were carried out with funds that were not their own caused a significant drop in their financial assets.

SAC operational indicators, in terms of inefficiency, show that of the 18 domestic banks only two have low indexes under this heading, which suggests a great weakness in bank operational systems.

SAC warns that based on the amount of profits lost due to unrecoverable credits, the six cases that are described as "very worrying" are: Serfin with a 16.96 percent index, Mexicano with 89.25, Atlantico with 3.72, Probursa with 185.30, Banco Obrero [Workers Bank] with 81.6, and Banpais with 8.71.

Overdue Portfolios

Current interest rate levels have, on their own, caused an increase in overdue portfolios. Studies by brokers such as Solomon Brothers and Merrill Lynch show discouraging growth figures for the 1995 overdue portfolios: "Unrecoverable loans could reach 17 percent of Mexican banks portfolios this year, which would represent a 100 percent increase compared to 1994 levels."

Added to the above, are the pressures that will be exerted by new regulations on safeguards against credit risks, which according to Solomon Brothers, should increase by a total 33 billion new pesos if the aggregate overdue portfolio remains constant.

U.S. investment banks state: "This implies that 1995 operational losses for Mexican banks will worsen by 40 percent, assuming that income will be the same as 1994."

A temporary capitalization program will attempt to place banks back at the minimum required worldwide capitalization level of 8 percent. Solomon Brothers believes that the government should inject $2.4 billion into this program (EL FINANCIERO, 9 March 1995).

"We believe that banks should react to this measure by attempting to tighten their credit portfolio as much as possible, thus many banks would be able to comply with the capital requirements; Otherwise, there will be no other alternative to avert a credit crisis in the Mexican system," Solomon Brothers warn.

The fact is that this "no option" measure runs the medium-term risk of liberating control of banks and leaving them in the hands of the government.

Eighty Percent of Banks to Procapte

Despite Procapte [Temporary Capitalization Program], Solomon Brothers' warnings sound convincing: In the next quarter there will be more losses with unrecoverable loans increasing to a level higher than operational income.

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"Assuming that the level of overdue portfolios is 16 percent of the total credit portfolios, Banamex will be the only bank able to reach minimum capitalization levels in 1995, which means that 80 percent of Mexican banks will not qualify for Procapte."

Thus, depending on the growth of banks' overdue portfolios, funds needed by Procapte to finance the capitalization of the Mexican banking system will increase or decrease. If the portfolio were to grow only 12 percent, the government would need $1 billion for this alone, but if the portfolio were to grow—and this is not a farfetched possibility—to 20 percent, the Mexican Government could need up to $4 billion just to rescue banking capitalization.

1994 Bank Profiles

Banamex—Up to 1994, its overdue portfolio was 83.24 percent of its accountable capital. This portfolio represents 89 times the capital paid out to shareholders and one and one third times the amount of its reserves.

Bancomer—Its gross overdue portfolio was 86.7 percent of its accountable capital and represents nearly eight times (764 percent) what was paid to shareholders, nearly 2.5 times its capital reserves.

Banca Serfin—Its gross overdue portfolio was equal to 142.8 percent of its accountable capital. The unrecoverable portfolio is 26.02 percent of its accountable capital.

Bital—Its gross overdue portfolio was 128.22 percent of its accountable capital, which is nine times the amount paid to shareholders and nearly three times its capital reserve.

Comermex—Its gross overdue portfolio was 134.4 percent of its accountable capital, which is four times the amount paid to shareholders or nearly six times (5.71 percent) the capital reserves.

Banco Obrero—The overdue portfolio was 10 percent of the banks accountable capital, or one fourth of the capital paid to shareholders, and is practically the same as its net profit,

Mexican Banking System

December of 1994

Millions of new pesos

Banks	Loan Portfolios	Change (Cambio)	Overdue Portfolio	Reserves	Covereds Reserves 60 percent
Banamex	109,749	855	9,189	4,607	6,026
Bancomer	113,179	900	8,162	3,674	4,429
Serfin	83,043	510	7,138	2,855	4,589
Mexicano	36,979	13	2,093	1,361	1,264
Comermex	39,042	163	2,976	1,261	1,883
Atlantico	21,581	106	2,036	1,114	1,286
Internacional	28,500	353	3,025	1,232	2,027
Banpais	25,634	92	1,679	635	1,063
Bancrecer	18,840	134	1,220	788	812
Promex	12,734	17	643	330	396
Confia	19,696	67	983	527	630
Banorie	20,818	39	789	401	497
Centro	11,748	122	648	336	462
Banoro	14,412	36	864	569	540
Oriente	NA	NA	NA	NA	NA
Obrero	NA	NA	NA	NA	NA
Total	572,500	3,461	45,531	20,228	27,508

Source: Salomon Brothers

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December 1994

Millions of new pesos

Banks	Reserves of 4 Percent of Portfolio	Additional Reserves
Banamex	4,390	564
Bancomer	4,527	864
Serfin	3,322	1,224
Mexicano	1,479	105
Comermex	1,562	459
Atlantico	863	64
Internacional	1,140	442
Banpais	1,025	336
Bancrecer	754	110
Promex	509	162
Confia	768	194
Banorte	833	393
Centro	470	11
Banoro	577	28
Oriente	NA	NA
Obrero	NA	NA
Total	22,900	3,964

Banks' Possibility of Paying

Banks	Degree of payment possibility	Risk Level	Approximate Amount of the Rescue
Banamex	0.69	High 8	4.459.5
Bancomer	0.69	High 8	4.259.7
Serlin	0.72	High 7	2.283.8
Inverlat	0.63	Very High 9	1.740.9
Internacional	0.69	High 8	983.3
Mexicano	0.62	Very High 9	1.805.1
Atlantico	0.78	Moderate 6	555.5
Probursa	0.55	Very high 11	849.2
Bancen	0.82	Moderate 5	214.0
Promex	0.96	Low 2	64.9
Merc. Norte	1.01	Risk Free 0	0
Confia	0.70	High 7	581.2
Bancrecer	0.77	Moderate 6	417.1
Banoro	0.64	Very High 9	401.6
Banoriente	0.82	Moderate 5	53.5
Banco Obrero	0.61	Very High 9	141.2
Citibank	0.65	High 8	178.0
Banpais**	0.91	Low 3	180.0
Total			19.168.5

*Millions of dollars at the exchange rate of 6.50 new pesos to the dollar

**Seized

Business Leaders Ask Officials To Vote Down VAT Increase

PA1603014295 Mexico City LA JORNADA in Spanish 14 Mar 95 p 39

[FBIS Translated Text] Private business leaders in the states have unanimously asked federal senators and deputies to "come out in defense of the Mexican people and to vote down" President Ernesto Zedillo's bill to raise the value-added tax (VAT) by 50 percent.

Jose Cabrera, president of the San Luis Potosi chapter of Coparmex [Employers Confederation of the Mexican Republic], has announced the creation of a common front with businessmen from the states of Nuevo Leon, Chihuahua, Jalisco, Aguascalientes, Guanajuato, Queretaro, Zacatecas, and San Luis Potosi in order to define actions to be taken at the regional level to protest the new economic policy unveiled last week.

Business leaders as well as PAN [National Action Party] members and convention goers who have staged demonstrations against the economic package in Guerrero and Veracruz States have asked why must the people keep paying for the government's mistakes? Why must the people pay for what others have stolen?

Jose Cabrera has said "we are opposed to this program not just because it is a unilateral measure but also because the government has done the opposite of what we have asked him. It is not that we are causing a rupture, but we believe our dissatisfaction needs to be heard and considered, given we have serious problems in surviving."

The businessman has said Coparmex and other leading groups in San Luis Potosi are analyzing the possibility of suspending the payment of taxes, "because it is practically impossible to meet our debts with the treasury and our suppliers."

Meanwhile, the organizations affiliated with the Civic Council of Nuevo Leon Institutions [Consejo Civico de las Instituciones de Nuevo Leon—CCINLAC] began sending telegrams to the state's federal senators and deputies, demanding they reject the VAT, group leader Juan Ignacio Duran Reza has said.

The CCINLAC members announced in their telegrams: "Considering that you represent the residents of Nuevo Leon State, you must not be unaware of the great unhappiness created by the shock program the government and the economic cabinet announced."

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The text of the telegram points to the federal legislators and states that far from easing the unemployment crisis,the new program will lead to large scale closings of businesses and a greater loss of the purchasing power of wages.

They are also demanding that the federal government publicize the names of the individuals tasked with designing the new economic plan and who are in charge of implementing it, because they do not want to hear at the end that there are "no culprits" should the program fail.

The Coparmax leadership in Coahuila State has told Governor Rogelio Montemayor Seguy that its members will not accept increases in taxes or other fees at the state or municipal level and demanded greater clarity and efficiency in the handling of public resources.

Local Coparmex President Ernesto Garza Martinez has said they oppose the radical tax increases, which they consider an easy way out of the problems of public sector inefficiency and the misuse of resources, but he has expressed approval of the remaining economic measures.

He has said the VAT increase and other federal and state taxes represent an additional reduction in the people's purchasing power, which translates into a recessive increase of the federal government's proposed emergency plan.

As a result, the governor has said his administration is studying a second adjustment to the annual work program with a reduction in budgeted expenses, a reduction in the number of public works, and new public financing programs.

In Torreon, Canacintra [National Association of Manufacturers] and La Laguna Entrepreneurial Center leaders have rejected the 50-percent VAT increase and have requested a reduction of current expenses and a greater boost to small- and medium-sized businesses through parastate privatizations.

Separately, the top organizations in Colima and Veracruz, such as Canacintra, Canaco [National Chamber of Commerce], Canirac [expansion unknown], Coparmex, the Mexican Institute of Executives, and hotel, motel, and transporters associations have spoke out against the fiscal measures announced by Treasury Secretary Guillermo Ortiz, arguing the VAT increase will bankrupt the productive sector, because no products will be consumed.

After demanding that Colima legislators reject the VAT increase, the business leaders have said private business will exhibit them before the community as being responsible for future economic problems should their request be turned down.

The Veracruz Chambers of Commerce have warned they have not ruled out the possibility of carrying out "commercial strikes" in various parts of the state if they are not heard by their popular representatives in Congress.

A meeting was held during the afternoon opposite the Martinez de la Torre Municipal Palace and was summoned by the PAN [National Action Party], the PRD [Party of the Democratic Revolution], PT [Workers Party of Mexico], and the PVEM [Mexican Green Ecologist Party] to reject the increases in prices and VAT as well as restrictions on wages. The Democratic State Convention marched through the streets of the port of Veracruz and then held a meeting opposite the city hall.

Another mobilization, with about 100 PAN followers, was held in Acapulco, Guerrero State, where local Deputy Cecilia Sanchez de la Barquera said the program is unfair, particularly for those who have the least. The caravan-march departed the PAN municipal committee offices and passed through the tourist area watched by Municipal Traffic policemen.

ANIERM Chief Criticizes Economic Program

PA1503145795 Mexico City EL FINANCIERO in Spanish 13 Mar 95 p 26

[Report by Jose Luis Gaona]

[FBIS Translated Text] The country's exports cannot provide the spark to reactivate the economy and create jobs, because 252 subsidiaries of foreign companies control 75 percent of all exports, and these firms have already reached maximum production, according to Juan Autrique.

The leader of Mexico's exporters believes the government's current economic program is an "aberration" and that in order to overcome the crisis, President Ernesto Zedillo has to change models.

According to the president of ANIERM [National Association of Mexican Importers and Exporters], the competitiveness gained in the area of exports because of the devaluation has been lost as a result of two opposing forces: inflation and a reduction of credit prompted by higher interest rates.

The business leader charges there is no official program to incorporate small and medium-sized businesses into the export sector. There are no integrating enterprises and no fiscal support, and, perhaps worse still, Mexican companies do not have anything to sell.

The ANIERM president believes the current economic program should have improved wages, maintained high production for the domestic market, promoted capital investment, restricted nonessential imports, and encouraged the consumption of national products.

Juan Autrique thinks the federal government should change the economic model: President Ernesto Zedillo and the cabinet should promote economic activity by strengthening the domestic market.

The government should encourage capital investment to generate jobs, and for this purpose it should offer fiscal incentives to new companies.

Industries that are strategic for the economy, such as the automobile industry, must receive assistance to prevent

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demand from declining. For example, the tax on new automobiles (ISAN) should be reduced and gasoline prices should not increase.

Autrique asks: What has the government done so far? He replies: It has taken the exact opposite path. Its policies sacrifice productive jobs, and the public sector has remained untouched.

Mechanisms must be adopted to strengthen our domestic market. We have to be creative and determine how we can increase wages and eliminate taxes on companies (Retirement Savings System, Infonavit [Institute of the National Fund for Workers Housing], Social Security, and others) to reactivate domestic demand.

To date, the official policies are recessionary and constrain productive employment in such a way that by the end of the year the country will have lost 1 million jobs.

The government has to be more efficient and reduce its current expenditures. Public administration must be seriously trimmed. He proposes tha. the Tourism Secretariat, the Comptrollership, and the Agrarian Reform Secretariat be disbanded.

The secretariats have to reduce personnel by 30 percent. The same should be done by Mexican Petroleum and the Federal Electricity Commission.

Regarding the application of tariff and nontariff barriers on imports, Autrique believes Mexico should do the same as other countries.

First, he explains, the government and the private sector should undertake an aggressive campaign to encourage the consumption of domestic products and close the border to those goods which are unnecessary and which bleed the national economy.

Within the framework of negotiations for trade agreements, the Commerce and Industrial Development Secretariat should review trade opening with the Asian countries.

How is it possible that Mexico has annual trade deficits of $900 million and $1 billion with Taiwan and Korea, respectively? We have to buy only from those countries that buy from us—in other words, only from those countries that reciprocate. This is the way trade works worldwide. We are not inventing anything new, he says.

The ANIERM chief believes Mexico's export sector does not represent the solution to the economic problems the country is facing.

It is true that over the past few years, exports have increased at an impressive rate. Nevertheless, there will be a time when the sector hits a ceiling under which the country's exportable supplies will be limited.

He explained: "252 companies account for 75 percent of all exports, and these companies are involved in just a few productive sectors: automobiles, chemicals, steel, and the agriculture sector."

Mexico must search for new market niches and new products demanded by international markets, and in order to accomplish this, the government, through the appropriate agencies, must support the private sector.

In order to support small and medium-sized companies, we need to take advantage of the infrastructure represented by all of the trade agreements signed between Mexico and the United States. We also need to foster a network of interconnected companies, and development banks must extend low-interest, long-term loans.

For many years, the Japanese Government strengthened its iron and steel industry by supporting it and by granting subsidies (taxes, as well as credits) in such a way that after 15 or 20 years they became strong and competitive in the international market.

In Korea, the government allows accelerated depreciation and has some very advantageous industrial strategies that allow companies to reinvest instead of paying taxes.

Juan Autrique believes President Zedillo's government must develop industrial sectors that are labor intensive by offering fiscal incentives.

He adds that in order for Mexico to compete successfully, it is essential to overhaul its production procedures by developing and utilizing technology.

With respect to foreign investments, he believes that speculative capital should not be rewarded and that limits and controls compatible with the country's reality should be established to guarantee a balanced and rational use of investment capital.

Autrique pointed out that businessmen involved in trade should not be blamed for the country's current account deficit, because a major part of the blame can be traced to the high interest rates these companies must pay for the use of foreign capital.

In this respect, mechanisms must be designed to curtail speculative investment, rectify systems that facilitate this type of investment, and, in turn, encourage productive investments that give preference to Mexican goods.

Authentic Labor Front Views Pacts

PA1503155095 Mexico City LA JORNADA in Spanish 13 Mar 95 p 23

[Report by Judith Calderon Gomez]

[FBIS Translated Text] Members of the Authentic Labor Front (FAT) directorate have stated that the pacts are unconstitutional because they do not acknowledge the workers' right to review their pay and contracts as stipulated by law. However, "the labor conditions in reality have, in fact, been modified and the most obvious are the changes made to the workday."

During an interview, Benedicto Martinez and Antonio Villalba, members of the National Coordination Board

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of the FAT, pointed out that to overcome the economic crisis and recover workers' purchasing power, it is necessary to make changes to the economic model being used by the government.

Among the firms that started the drawdown [paro tecnico] with a modification to the workday are the ones in the automotive sector such as Volkswagen, Ford, Diesel Nacional (DINA), Nissan Mexicana, and General Motors. However, this practice is also being used in the metal and textile industries.

The FAT leaders claimed that in addition to changes in the work day taking place in several firms such as Asterisco, Sealed Power, and Abetex, the cutting of staff has caused the membership of the Metal Industry Workers Union to decrease from 5,000 to 3,000; this is comparable to what happened at the Macopel firm last year, when 800 workers were left without jobs.

As an example of the modifications to the work day, the FAT leaders disclosed, the Asterisco firm that produces fine jewelry established a four-day workweek. The firm's 100 employees were divided into groups of 50 and 50 percent of the plant was on the shortened workweek because of a decrease in sales.

The Sealed Power firm makes rings for pistons and has two plants and 500 workers. It was easy for it to give time off to workers to decrease production.

The Suministros Industriales firm that builds heavy equipment stopped production and, meanwhile, sent workers to do repair tasks and paint the plant.

At Abatex, a textile factory located in Tlaxcala, a 30-day drawdown was implemented between 10 February and 20 March and workers received a 50-percent pay cut during that period.

The FAT leaders stated during the interview that it is necessary to make changes to the government's economic model to ensure the recovery of wages and the generation of jobs.

Antonio Villalba said small- and medium-sized firms must be supported because they generate more than 70 percent of the jobs in the country.

He is in favor of supporting the domestic market, allowing it to have precedence over the export market instead of the other way around as has been happening.

Villalba mentioned that the FAT, as part of the Mexican Action Network On Free Trade [Red Mexicana de Accion Frente al Libre Comercio], proposed, in 1990, that the laws on origin be complied with. "That is, that the multinational corporations in Mexico use component parts that are produced in the country and not only manpower as is the case currently."

He gave the example of the Ford automotive plant in Hermosillo, which is the most modern firm in the world, that imports component parts from wherever it gets them cheaper. It, therefore, does not have the commitment to contribute to the establishment of a secondary job sector in the area.

Benedicto Martinez said that in his opinion, it is urgent that a new economic model be developed because events have shown that the pacts have restricted the general conditions of workers. He mentioned that those agreements do not recognize the Federal Labor Law with respect to the ability of each firm and union to review their contracts every two years.

Official Sources Deny Marcos Killed in Alleged Army Clash

PA1603033195 Madrid EFE in Spanish 0138 GMT 16 Mar 95

[FBIS Translated Excerpt] Mexico City, 15 Mar (EFE)—Today, official sources denied Subcommander "Marcos," top leader of the Zapatist guerrillas, had been killed in an alleged Army clash near the Guatemalan border.

The report, which has originated among Chiapas State peasant groups, has not been able to be confirmed despite rumors over several hours.

Official sources in Mexico City who were consulted on the possibility that "Marcos" could have been killed in a clash told EFE they had no reports on this matter and denied "at least in Mexican territory" there could have been a clash in which the Zapatist guerrilla leader could have been killed.

In the Amparo Aguatinta community in Chiapas State today, the possibility of a clash on the Guatemalan border was mentioned. Nevertheless, the exact place of the possible military clash has not been located, or when it took place, or the reason for it, because the Mexican Army has had orders since yesterday to reduce its presence in Chiapas so as to encourage renewal of peace talks with the guerrillas.

Guatemalan Army sources have also said they had not received any reports of a possible military clash in the areas of San Marcos, Huehuetenango, or Quiche, which border Mexico. [passage omitted]

Zedillo Voices Wish for Prompt Reply From EZLN

PA1603014195 Mexico City LA JORNADA in Spanish 14 Mar 95 p 3

[Report by Elena Gallegos]

[FBIS Translated Text] Yesterday, President Ernesto Zedillo voiced his wish for a prompt reply from the Zapatist National Liberation Army [EZLN] to advance the search for a negotiated solution to the conflict in Chiapas, and he insisted the path must be dialogue, "because no one in Mexico wants war."

He also insisted on the need to continue seeking a dialogue as the option the government and society want to achieve a dignified peace.

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Zedillo made these statements at the Adolfo Lopez Mateos Room of the official residence, where he greeted deputies and senators who apprised him of the conclusion of the special session on 9 March during which they approved a U.S. economic aid package and the Law for Conciliation, Dialogue, and Dignified Peace in Chiapas.

According to legislators who attended the meeting, Zedillo voiced satisfaction with the discussion, enrichment, and approval of the new law to achieve peace in that state, and he added it demonstrates the fact that enforcement of the law can be conciliated with the exercise of politics.

He said this cooperation between the executive and legislative branches to advance the law is unprecedented and reflects the willingness among the various quarters to find a peaceful and legal solution to the conflict.

Heberto Castillo, a senator of the PRD [Party of the Democratic Revolution], said the president shared with the legislators who were at the Los Pinos residence his hope the EZLN will issue a reply soon.

This meeting was private, and only part of what was discussed was revealed. The presidents of the two chambers presented brief reports on the special session, and Zedillo said he was pleased with the approval of the law for Chiapas.

On the economic crisis, Castillo said the president described the country's situation as "delicate."

The PRD senator said many deputies and senators disagree with the measures contained in the adjustment program. "We hope they will be modified, because they constitute no solution, especially the VAT [value-added tax], which is not only a inequitable tax but the most damaging for a majority of the people," he said.

This issue was not discussed, however, during the meeting with Zedillo, Castillo said. The senator also replied to reporters' questions on Carlos Salinas de Gortari's departure from the country.

"It is not right for someone to leave after having been accused by the people, not by the authorities but by the people. If Mr. (Mario) Ruiz Massieu has more than $7 million, I wonder how much Mr. Raul Salinas or Carlos Salinas de Gortari might have.

"I believe Carlos Salinas de Gortari must tell the Mexican people about his wealth, because we do not have access to each person's financial disclosure statements. Officials have the duty to report how much they have when taking and leaving office. We must ask him to report how much he has, and if the amount is right [correcto], he may go wherever he pleases, but if he does not, he should be made accountable."

Castillo said he will propose to the Senate that it ask the Comptroller General's Office of the federation to publicize the financial disclosure statements filed by officials of the previous administration.

Meanwhile, Jose Luis Soberanes said the meeting with President Zedillo was "very good," because it reaffirmed the coordination existing between the executive and legislative branches.

On the adjustment program, Castillo said he will support it in order to ensure there is a swift solution to the economic emergency situation.

Other legislators only outlined the issues discussed at the meeting, which lasted about half an hour.

Legislators Seek Prompt Resumption of Chiapas Dialogue

PA1603131695 Mexico City LA JORNADA in Spanish 14 Mar 95 p 7

[Report by Rosa Elvira Vargas]

[FBIS Translated Text] The Legislative Commission for Peace and Reconciliation in Chiapas said on Monday, through its spokesman Luis Felipe Bravo, that in light of the real threat of war breaking out in Chiapas State, "it is urgent to immediately set in motion" the entire mechanism established by the law recently approved by the Congress of the union.

Following a meeting of more than two hours at the legislative facilities on Morelos Avenue, which was attended by Government Secretary Esteban Moctezuma, it was also announced that thus far the Zapatist National Liberation Army [EZLN] has released no notification whatsoever regarding its acceptance of the terms of the Law for Dialogue, Reconciliation, and Dignified Peace in Chiapas.

Nevertheless, on Monday evening it was announced that the EZLN's General Command had agreed to participate in the dialogue for peace, although this information was not confirmed.

As he left the meeting at the Government Secretariat, spokesman Luis Felipe Bravo Mena said that the legislative commission would soon be traveling to Chiapas to evaluate the prevailing situation and to verify certain issues.

He insisted that the members of the commission have perceived in the federal government—represented by the government secretary—a willingness to obtain as soon as possible a negotiated, political solution. This is the same attitude the government displayed during the preparation of the law.

Bravo Mena said that Monday's meeting was used to review the duties and steps established in the law, which must be implemented as soon as possible. The political situation and the factors currently created by the Chiapas conflict were examined, especially in light of the possibilities that the new law has already opened up.

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At the latest on Tuesday, he said, the Harmony and Peace Commission will be formed, in accordance with the schedule established by the law.

Bravo Mena also added that over the next few days information will be received through the Conai [National Mediation Commission] about efforts to establish a rapprochement with the EZLN, since the Conai is the mediator that is recognized by the rebel group as well as by the executive.

Secretary Moctezuma Barragan left the Morelos facilities half an hour before the legislators. He drove away in his car without stopping to talk with reporters. The deputies and senators did likewise, leaving Bravo Mena to make the statements.

Bravo, a member of the PAN [National Action Party], insisted that the afternoon meeting was not a meeting on a solution; it was only to "revise things," to "review what the law obligates us to do, and to agree to take steps to that end." Between today and tomorrow, he added, we will inform you how this will be accomplished.

Meanwhile, during a telephone interview, PRD [Party of the Democratic Revolution] Senator Heberto Castillo pointed out that the dialogue is already being prepared and that there are positive signs that it will be held as soon as possible.

During a brief interview Castillo said that there are no obstacles to the initiation of dialogue, that the law that Congress passed includes every viewpoint, and that although "certain arrangements" must still be made, the negotiations for the resumption of the talks between the government and EZLN are, he insisted, on the right path.

Castillo announced that a news conference will be held today to announce the specific results of the peace dialogue effort and he insisted that the negotiations "are on the right path."

PGR Issues Bulletin Denying Media Reports on Colosio Case

PA1503182595 Mexico City XEW Television Network in Spanish 0430 GMT 15 Mar 95

[From the "24 Hours" newscast]

[FBIS Translated Text] The Attorney General's Office [PGR] reports that Special Deputy Attorney (Pablo Chapa Bezanilla) at no time has made statements implicating persons mentioned in different media in the events surrounding the murder of Luis Donaldo Colosio. They are (Ruben Valdez Abascal), Jose Cordoba Montoya, and (Idomiro Garcia Reyes).

As reported on 24 February, only the first part of the investigation has been concluded, and the evidence at hand so far is not enough to establish the responsibility of any other person.

Given the speculation that has been generated, the Special Deputy Attorney's Office will maintain strict confidentiality with regard to its investigation and regarding the meetings with the Plural Legislative Commission. It will review the work of this commission.

This institution reiterates its commitment to keep the people of Mexico informed when the facts and names involved are duly confirmed. However, the principle of confidentiality for questioning must be respected. This is a fundamental element for the success of the questioning.

The PGR calls on Mexicans to believe in this process, reiterates the determination of its efforts, and says that the investigation is not subject to any pressure or deadlines. This is according to a PGR bulletin.

Exports to Cuba Increase in Past 5 Months

PA1503034195 Mexico City NOTIMEX in Spanish 1849 GMT 14 Mar 95

[FBIS Translated Text] Havana, 14 Mar (NOTIMEX)—Mexican exports to Cuba increased during the past five months when a package of new resources to finance Cuba's bilateral purchases was applied, the Trade Council of Mexico revealed here today.

Mexico's surplus with Cuba continues to rise "in absolute and relative terms," Carlos Fuentes, Mexico's trade attache in Havana, told NOTIMEX.

Fuentes said he still does not have a detailed report on bilateral trade in the past months, but he said the use of the approximately $322 million package agreed upon by the two countries in September of 1994 was "remarkable."

That potential line of credit was opened when an equivalent amount of old Cuban debt with Mexico was paid off through "swap" (debt for investment) mechanisms, which have enabled Mexican businesses to enter the areas of telephony and cement in Cuba.

The devaluation of the Mexican peso "will make us more competitive" in the Cuban market, Fuentes said.

Mexico sold goods to Cuba for $107,821 between January and September of 1994 and made purchases for $8,345. As a result, it obtained a surplus of $99,476 according to figures provided by the Trade Council of Mexico.

Last year's "swaps" eliminated most of Cuba's debt with Mexico, which was estimated at approximately $350 million. The remainder of the old debt, approximately $28 million, could still be submitted to the same mechanism, Fuentes said.

Fuentes said Cuba began buying intermediate and capital goods from Mexico in an attempt to broaden the traditional inventory of imports, which includes consumer and manufactured goods and raw material.

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Government Signs Decrees With Ecuador, France

PA1603015095 Mexico City NOTIMEX in Spanish 2031 GMT 15 Mar 95

[FBIS Translated Text] Mexico City, 15 Mar (NOTIMEX)—Today, the Mexican Foreign Secretariat released information on four decrees signed by Mexico with Ecuador, France, Bulgaria, and the United Kingdom and Northern Ireland on technical, judicial, cultural, and fiscal matters.

The agreements were published today in the DIARIO OFICIAL of the federation, the Foreign Secretariat reported.

The basic agreement for technical and scientific cooperation signed between the Mexican Government and Ecuador covers the joint preparation and execution of support projects and programs in those areas. For this decree, both countries will prepare biennial programs and projects with specific goals, financial and technical resources, work schedules, and the specific sectors in which they will be applied.

When needed, the parties will request financing and the participation of international organizations to execute programs and projects as well as to facilitate the entry, stay, and departure of personnel participating in the projects.

The agreement will become effective on a mutually agreed date through diplomatic channels and will be valid for 10 years, which will be automatically extendible for an equal period.

If either country decides not to continue the agreement, it must announce this decision six months in advance.

Once the agreement becomes effective, the Basic Agreement for Scientific and Technological Cooperation signed between the governments of Mexico and Ecuador on 13 July 1974 will be abrogated.

Mexico signed with France a judicial assistance agreement on penal matters in which both countries will offer judicial assistance on criminal procedures.

The agreement does not include the serving of arrest warrants or military crimes that are not common crimes for which the Attorney General's Office in Mexico and the Justice Ministry in France will be the central authority.

The Foreign Ministry clarified that judicial assistance could be denied when, in the opinion of the party requested, these crimes are considered political in nature as well as when it is considered they go against the country's sovereignty, security, and public order.

Each party will notify the other of compliance with the constitutional procedures required for the agreement to become effective, which will be the first day of the second month following receipt of the last notification.

The third decree refers to the Cultural and Educational Cooperation Agreement between the governments of Mexico and the Republic of Bulgaria, through which the parties are to develop activities that contribute to the increase of mutual knowledge in these fields.

The participating countries in these agreements will continue the reciprocal scholarship programs for postgraduate studies, specialization, or investigation in the other country's colleges and universities.

So as to give continuity to this agreement, a Cultural and Educational Joint Commission is established, which will meet alternately in Mexico City and Sofia to evaluate accomplishments and to propose other programs.

This agreement will become effective the day after the two parties communicate diplomatically and is indefinite in duration. Should one of the parties decide not to continue with the agreement, it must announce this decision six months in advance.

The agreement signed between Mexico and the United Kingdom and Northern Island is to prevent double taxation and avoid tax evasion on income and capital gains taxes. This agreement will not affect fiscal privileges granted to members of diplomatic or permanent missions or consular posts, in accordance with general principles of international law.

The agreement becomes effective after completion of the required diplomatic procedures and will last until either of the participating countries decides to terminate it by notifying at least six months in advance.

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El Salvador

IDHUCA Examines Public Security Situation

95P20632 San Salvador PROCESO in English 8 Feb 95

[Report by the Central American University's Institute for Human Rights [IDHUCA] titled: "The Countdown Continues for ONUSAL." Published by the Central American University's Center for Information, Documentation, and Research Support; received via Internet.]

[FBIS Translated Text] At the beginning of the year, Maura Antonia Orellana de Garcia was kidnapped in Santa Ana; she was set free after having turned over 25,000 of the 500,000 colones originally demanded as ransom... On January 25, Mario Bonilla Villalta also won his freedom; he is the son of a bus owner in San Vicente, and his family paid 150,000 colones to his captors, 50,000 less than originally demanded... The same thing happened to Faustino Amaya around the same time; he is a rancher from San Vicente, and paid only 32,000 of the 300,000 colones required as ransom... 150,000 colones was the ransom demanded for Yasmin Rosberi Calderon de Velasco, also of San Vicente; there is still no information about the outcome of her kidnapping... On January 31, the wealthy business leader Jean Claude Kahn was snatched from a downtown street; so far, no one knows how much ransom the kidnappers are asking in order to return him to his family safe and sound...

These are only some of the list of incidents which occurred in the month of January, according to the local press. There is more: On February 6, it was the turn of Graciela Bahaia, a businesswoman 62 years of age, who was kidnapped in Chalchuapa and liberated the following day after her family paid 200,000 colones. Mons. Rosa Chavez reported recently that a blind relative of the deceased former archbishop, Mons. Rivera Damas, was kidnapped from his farm in Santa Clara, San Vicente; 200,000 colones were required for the victim to be set free. Finally, we read about an entire family—mother, father, daughter and grandfather—who were kidnapped from the town of San Juan Opico, department of La Libertad.

If we add up what some already paid out and what we know at least was demanded of others, we get a total of 757,000 colones circulating among these "small-scale" criminal operations: this is almost $87,000 at the currently-proposed exchange rate which they would like to impose in order to benefit a chosen few. Add to this the murder of Jose Natividad Majano Garcia, mayor of Osicala, Morazan, who belonged to the ruling party. "Six men armed with rifles kidnapped the mayor last night, and one hour later they murdered him with four shots to the stomach," said the Notimex cable.

Following this incident, the Secretary-General of ARENA, Juan Jose Domenech, complained that other mayors and some legislative deputies from his party had recently received threats. However, the next day, and without further explanation, Mr. Domenech (who is also president of the national telecommunications company—still in public hands—and owns a profitable chain of self-service stores) retracted his statements and said that no public servants belonging to the ARENA party had been threatened.

Organized crime, kidnappings, threats, common crime, drug trafficking, "death" squads and "social cleanup" squads, "private justice"... This is the scourge afflicting our people, and the incidents mentioned above are only a small sampling. This is the context in which 112 people died violently during the first month of 1995, according to figures culled from the national press. The detail underlying this crass figure, which is similar to the monthly average last year, is the following: 57 deaths caused by "unknown individuals"; 38 victims of "common crime"; six people murdered "under unidentified circumstances"; five who were killed by "grenade explosions"; three victims of actions typical of the "death squads"; and three deaths attributed to the police (two to the PNC and one to the Municipal Police of Santa Tecla).

Given all this, we must ask: how much more must Salvadorans put up with, while some are telling the world that everything is fine, that we are finally on the road to a society in which violence is not the remedy of choice for solving political controversies or the only way for many to survive? How much longer before the institutions in charge of fighting impunity and enforcing the law finally begin to work? When will the Salvadoran State be capable of guaranteeing people's safety, and meet the obligation established under Art. 2 of the Constitution, Articles 1 and 3 of the Inter-American and Universal Human Rights Declarations, Art. 7 of the Inter-American Convention, and Art. 9 of the International Pact on Civil and Political Rights?

There are some who react to this increasingly troubling phenomenon by seeking facile explanations and apparently easy solutions, but ones which are basically dangerous. Those voices are trying to ignore the painful experiences of the recent past and would rather continue making the same or similar mistakes. For example, almost two years ago, for the sake of a misunderstood "national reconciliation," an immoral amnesty was declared without either considering or respecting the harm done to the direct and indirect victims of human rights violations; today we are harvesting the bitter fruit of a seed so wrongly sown in blood-drenched earth: generalized death and insecurity, upheld by the impunity which was the only winner in the amnesty debacle.

Today, in an irresponsible fashion, we hear voices—even from high government circles involved in public security—who dare to lament the dismantling of the old police forces, blaming the current crisis on their disappearance. If to this we add the arguments of those who

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wish to prove that the National Civilian Police (PNC) is incompetent, and that the only solution is Armed Forces intervention, it would appear that things are about to become more complicated.

We have a serious responsibility, all of us. We cannot keep on playing around. We know perfectly well why and how the negotiations were established and the commitments were reached to lay the groundwork for new forms of social coexistence. For reasons which are well-known to all, those accords set up a new security force with a new doctrine; the post-war role of the military was also delimited.

Now it is time to comply—without deceit or bad faith—with the remaining accords on public security; the accords which were poorly carried out (consciously or unconsciously) must also be corrected. There must also be new initiatives aimed at resolving problems which, logically, were not foreseen during the negotiations. Resources aimed at, for example, increasing the number of PNC members and raising their levels of training must be better invested and in greater quantities. This might finally silence those who yearn for the old repressive forces and would like to distort the new mission of the Armed Forces, which ought to have learned a lesson by now.

In conclusion, we must add the need to create a purged and effective judicial branch, together with a competent and firm-handed Human Rights Ombudsman's Office which will carry out its role in such a way as to win the recognition of the people and government officials. Let us recall that the person running that office has a broad legal mandate to intervene in human rights issues. We might mention a few: to oversee the relationship of the nation's prosecutorial and defense organs with the people; to promote reforms which lead to greater progress in human rights; to issue opinions on legislative bills which concern the area of human rights; to promote and propose preventive measures; to formulate conclusions and recommendations in public and in private; to write and publish reports; to propose legislative bills to promote and protect human rights, and to promote the signing, ratification or enforcement of international treaties; to communicate and cooperate with other human rights organizations and with the different sectors of national society.

When the Geneva accords were signed almost five years ago, on April 4, 1990, it was said that one of the four great goals of the Salvadoran process was to "guarantee unlimited respect for human rights." As this process winds down, the twelfth ONUSAL human rights report stated the following: "Evaluating the level of progress or regression in the consolidation of the system of human rights protection in El Salvador cannot be exclusively carried out on the basis of numbers. Numerical variations may have many different origins, and may be presented without signs of a solution or of any continuity. In this regard, the evaluation must principally involve the state of the legal and political institutions which uphold protection of human rights in the country and which, at this stage in the peace process, may make the existing improvements lasting" [unofficial translation]. As we can see, given everything that is going on in El Salvador, no one can talk about improvement, with regard to either violent incidents or the state of the nation's basic institutions in charge of respecting human rights. Thus, the ONUSAL officials still have much to verify about why we are even farther from attaining the great goal set in the Geneva accords. But, for better or for worse, they have little time to do so. Who knows if they will be able to, and it is long past time to pin our hopes on them. Thus, it is the job of Salvadorans to make effective respect for human rights a reality in this country, starting with our own personal safety. The only choice open to us is to utilize the existing institutions, make them our own, denounce the obstacles they encounter and work to guarantee their consolidation. This can and must be done, and it is urgent. At least there is no mention of the sale of the Ombudsman's Office, the PNC or the judicial branch in the latest set of economic proposals. Let us decide, for once and for all, to take over those institutions for which we have paid such a high price, and which belong to the entire nation.

Guatemala

Efforts To Revive Stagnant Peace Talks Said Failed

PA1503235395 Mexico City NOTIMEX in Spanish 2244 GMT 15 Mar 95

[FBIS Translated Text] Guatemala City, 15 Mar (NOTIMEX)—Hector Rosada, president of the governmental Peace Commission, said upon arrival in Guatemala City today that the efforts to revive the stagnated negotiations for peace in Guatemala have failed.

After three days of talks between the government and the Guatemalan National Revolutionary Unity [URNG] in Mexico, it was impossible to resume the dialogue, which has remained stagnated since November, he told reporters.

GEXPRONT Head on Accord With El Salvador

PA1503235595 Guatemala City PRENSA LIBRE in Spanish 14 Mar 95 p 66

[FBIS Translated Text] Gabriel Biguria, president of the Association of Exporters of Nontraditional Products (GEXPRONT), has expressed his satisfaction with the tariff unification agreement between the governments of El Salvador and Guatemala, which will enter into force on 1 April.

The 20-5-1 tariff structure represents a positive trend that will stimulate capital investments in Guatemala and lead to the creation of new businesses and jobs, something which, in turn, will improve the standard of living of many Guatemalans, the business leader has said.

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Biguria has said that the 20-percent tariff applies to finished products manufactured in Central America, that the 15-percent tariff applies to intermediate goods or component parts produced in the region, and that the 5—percent tariff applies to capital goods and raw materials and other products not produced in the region.

Biguria has said the decision by the presidents of El Salvador and Guatemala will make Guatemalan products more competitive, while the 1-percent tariff reduction will make investments in productive goods more attractive.

We will eliminate the corruption this practice has generated for many years in the customs service by eliminating scattered tariffs and the discretionary manner in which they are applied, Biguria has said.

The GEXPRONT president has said the unification of tariffs will end unfair business practices, adding the 15-percent tariff reduction for finished products is significant.

According to figures by the Secretariat of Central American Economic Integration (SIECA), Guatemalan exports to Central American countries totaled 471,395 Central American pesos [currency as published] in 1994 in trade conducted primarily with El Salvador. El Salvador, in turn, reported exports totaling 357,066 Central American pesos.

Concerning last year's imports among Central American countries, the figures for Guatemala totaled 287,057 Central American pesos and 374,942 Central American pesos for El Salvador. These figures are all expressed in thousands of Central American pesos.

UN Mission on Complaints Against Human Rights Violations

PA1603014995 Guatemala City SIGLO VEINTIUNO in Spanish 14 Mar 95 p 2

[FBIS Translated Text]

Complaints of Human Rights Violations Received by Minugua [United Nations Mission for Guatemala] between 21 November 1994 and 21 February 1995

1.	Against life:	100
2.	Against integrity and personal safety:	65
3.	Against individual freedom:	41
4.	Against due legal process:	49
5.	Against political rights:	4
6.	Against the freedom of expression:	3
7.	Against the freedom to organize:	18
8.	Against the freedom of movement:	7
9.	Violations during armed internal disputes:	13

Honduras

Trade Talks With Mexico Suspended in Wake of Crisis

PA1503171195 Tegucigalpa LA TRIBUNA in Spanish 15 Mar 95 p 7

[FBIS Translated Text] Delmer Urbizo Panting, Honduran minister of economy and commerce, yesterday said that for the time being all bilateral trade negotiations with Mexico have been suspended in light of Mexico's economic crisis.

He added that despite the suspension of negotiations within the framework of the CA-3 [Central American Group of Three], Honduras may possibly continue its talks with Venezuela, "but certainly with Colombia."

The minister said Mexico's financial situation has had strong repercussions not only in Central America, but throughout all of Latin America.

He pointed out that Honduras will not lose much in connection with the Mexican situation, considering Honduras only exports beef to Mexico. The economies of El Salvador, Guatemala, and Costa Rica, however, will suffer a harsh blow because of the numerous and various products they export to Mexican markets.

The Honduran minister pointed out that the possibility of exporting additional goods to Mexico has been virtually ruled out.

Another aspect that hinders us from exporting products is the adoption of policies that restrict imports and, at the same time, establish high tariffs to protect leather goods, shoes, textiles, and clothing, he explained.

Concerning a request made by an employers organization asking for his dismissal, the minister pointed out that he "could really care less," because this organization has nothing to do with the secretariat he directs.

Regarding the Economy and Commerce Secretariat's contribution on the occasion of World Consumer Rights Day, he explained that a new consumer protection law and a law creating a Consumer Ombudsman's Office will be presented to the National Congress this week.

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Argentina

Economy Minister Announces Main Economic Measures

PY1503170695 Buenos Aires TELAM in Spanish 0047 GMT 15 Mar 95

[FBIS Translated Text] Buenos Aires, 14 Mar (TELAM) —Following are the main announcements that Economy Minister Domingo Cavallo made today at the Bank of the Nation [Auditorium]:

The value-added tax (IVA) will be increased by three points, and will therefore be increased from 18 to 21 percent if this increase is authorized by Congress.

The increase of the IVA will be in force for one year and it will generate an additional income of 2.250 billion pesos.

There will be a return to the levels of the social security contributions of the business sector prior to the reduction that was implemented last year, although there will be a 30-percent discount in the interior of the country.

Distortions between sectors will be eliminated in such a way that commerce and services that up to the present time were excluded will now be incorporated into the benefits.

No imported product will pay less than the Common External Tariff (AEC) of the Mercosur [Common Market of the South].

An increase in the AEC is being negotiated with the Mercosur partners in order to produce an effect similar to what would have been felt had a 3 percent statistical tariff been implemented.

This increase of the AEC will not include capital assets, informatics, and fuels.

The tax on capital assets will not surpass 10 percent.

The reimbursements on exports will be reduced, thus achieving a level that will be more adjusted to the real impact of internal taxes and the norms of the GATT.

Between the increase of the import tariffs and the decrease in the reimbursements on exports, it is hoped that some 885 million will be obtained.

The fight against tax evasion will be strengthened.

Outlines Upcoming $7 Million in Loans

PY1503182595 Buenos Aires TELAM in Spanish 1325 GMT 15 Mar 95

[FBIS Translated Text] Buenos Aires, 15 Mar (TELAM)-—During a news conference at the auditorium of the National Bank, Economy Minister Domingo Cavallo announced tax changes and spoke of local and foreign loans that total $7 billion.

Cavallo upgraded the total from $6.7 billion to $7 billion because the IDB [Inter-American Development Bank] has added another $300 million to its original loan, thus increasing 1995 resources to $11.4 billion.

Regarding the expected $1.4 billion from shares of enterprises that have already been privatized, Cavallo said: "We will not sell them for nothing—as the media has stated—we will sell them at the right price."

He stressed that all offers will be studied, including those of existing majority shareholders and those of foreign investors.

The $1 billion that will be obtained from the sale of energy sector enterprises has been described by Cavallo as "a conservative figure, because the cash flow of those enterprises, less a 16 percent quotient [tasa], amounts to $3 billion."

Cavallo then highlighted the $5 billion support that has been granted by multilateral organizations (IMF, World Bank, IDB), adding that $300 million of the World Bank loan will be used for health and educational programs "which could be affected" by the cuts.

He stated that until recently Jerry Corrigan, president of the New York Federal Reserve, was asking local government and banks to "help outline" a kind of limited and onerous guarantee for deposits.

Cavallo added that former U.S. officials Paul Volcker and Nicholas Brady are also working on this task. He again denied that private deposits will be affected.

New Economic Measures Criticized

95SM0238A (Internet) Argentina Gopher in Spanish 6 Mar 95

[Commentary by Roberto H. Cachanosky: "The Run Cannot Be Stopped"; from EL CRONISTA COMERCIAL 6 Mar 95]

[FBIS Translated Text] In order to cope successfully with the crisis of confidence that is besetting the Argentine economy, we must first try to identify its cause. Once the cause is known, it will be easier to seek solutions. The first thing that can be said about the crisis of confidence is that it seems to have originated outside the country rather than in the domestic market. In other words, when Mexico devalued its currency, fears arose overseas that the same thing would happen in Argentina. And these fears seem to be based more on our balance of payments numbers than on fiscal data.

To put it more directly, the overvaluation of the peso and the ongoing deficits in the current account create expectations of a devaluation. Though Argentina is not Mexico, investors may be thinking that it could wind up just like Mexico. The upshot: get out of Argentina before it is too late. If this reasoning is valid, it means that regaining the confidence of foreign investors entails both having our external payments very much in balance and

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boosting the real exchange rate. There are two ways to do this: either raise the nominal exchange rate, or lower domestic prices. But there are also two ways to lower domestic prices. One is to induce a severe recession that will lead to declines in domestic prices; the other is to move forward quickly with all of the measures that will help lower costs in Argentina so as to spur investment and reduce domestic prices, but by way of higher productivity, not a recession.

Here is where I disagree with the measures announced on Monday. The fact is that the measures are pro-cyclical, that is to say, they will promote the coming recessionary trend and discourage investment because they are based on increasing the tax burden; in other words, they seek to improve the real exchange rate by lowering internal prices through recession. But just as a devaluation has awful effects such as capital flight, disinvestment, and unemployment, a severe recession has them as well, especially on the fiscal front. Or won't a severe recession cause investment to fall, the jobless rate to rise, and tax revenues to shrink, fueling further fiscal deterioration and lack of confidence? The highest-income sectors are the ones with the greatest capacity for internal savings to finance growth, and these sectors are going to see their profits taxed more heavily to finance highly unproductive government spending (remember that revenues from the profits tax are shared, which means more money for the provinces to squander). It is clear, then, that the approach that Cavallo has chosen will not help enhance the productivity of the economy. In other words, last Monday's measures are pro-cyclical in a recessionary sense and bad for investment, thus hurting productivity. In this context, it is no accident that these measures have not succeeded in reversing the loss of overseas confidence, because people there realize that improving the real exchange rate through lower domestic prices brought on by a recession is not viable in the long run. So then what? The best thing would be for Cavallo to stop weakening his position by announcing new measures that do not get to the bottom of the problem. The intervals at which Cavallo is forced to come out and make announcements are becoming shorter and shorter, and people are starting to lose confidence not in the plan but in Cavallo himself. The minister is not going to reverse the trend just by telling people to trust the government. Cavallo has to make much more categorical announcements about cutting government spending, reducing taxes to promote investment (lowering, not raising the profits tax), further dollarizing the economy, giving the BCRA [Central Bank of the Argentine Republic] more independence instead of turning it into a satellite of the executive branch, and abolishing the union monopoly on social benefits so that the billions of dollars that people are currently wasting in this area can be channeled efficiently and can create new job opportunities in the private market, to mention just a few examples. What he has to realize is that the crisis of confidence is a very severe one and, therefore, that it demands truly heroic measures, but in the direction of going further with the economic model, not blurring it with tax hikes or amendments to the BCRA charter. When markets wager against you, there is no way to stop them. No government or central bank in the world has been able to halt a currency and financial run when the market has lost faith. Monetary and financial measures in the midst of a crisis make it worse, not better. Securing financial support from abroad helps only to weather the moment but does not fix structural problems. If this severe economic crisis does any good at all, it will be to show political leaders, who are systematically thwarting structural reforms, and who would like to keep on blithely spending taxpayers' money, that in the midst of a country on fire they too will get burned.

Trade Deficit Down 52% in First Months of 1995

PY1503194295 Buenos Aires BUENOS AIRES HERALD in English 13 Mar 95 p 2

[FBIS Transcribed Text] (DYN)—Argentina's trade deficit fell to $505 million during the first two months of the year, a 52 percent reduction on the shortfall for the same period in 1994, Economic Planning Secretary Juan Llach announced yesterday.

Llach attributed the steep fall in the deficit to increased exports.

Exports during the two-month period totalled $2,680 million, 38.6 percent above the same period last year. Imports were up by 3.7 percent, to $3,185 million.

Llach pointed out that the change in trade figures shows that Argentina is showing that it can revert its trade deficit by exporting more, rather than devaluating its currency. The tendency toward increased exports "is a clear, ongoing trend," he said.

He denied that Brazil's recent devaluation would adversely affect improvement in its trade with Argentina, as it represents "only 20 percent of Argentina's foreign trade."

The notable weakening of the US dollar will make Argentina more competitive in markets like Europe and Japan, he added.

The Statistics Bureau (INDEC) confirmed that Argentina's 1994 trade deficit was $5,804 million, with exports at $15,740 million and imports at $21,544 million.

Exports of manufactured goods increased by 26 percent, fuels 31 percent, agriculture-based goods 17 percent and primary products 13 percent. Imports of capital goods grew by 47 percent, fuels 53 percent, intermediate goods 23 percent, consumer goods 11 percent and buses by 63 percent.

Independent Front Candidate Interviewed

PY1503130095 Buenos Aires LA PRENSA in Spanish 12 Mar 95 p 2, 3

[Interview with Jose Octavio Bordon, presidential candidate for the Front for a Country in Solidarity, Frepeso, by Laura Termine; place and date not given]

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[FBIS Translated Text] [Termine] Your chances in the 14 May election seem to be tied to the outcome of the economic plan. Will your chance be reduced if the government reverses the situation?

[Bordon] No. It may have an effect, but we are offering Argentina a proposal to overcome this model that is beyond any temporary economic situation. It is irresponsible to be tied to a model. We are worried because this monetary stability has cost us a lot and we do not want to lose more because this administration is not handling the situation well.

[Termine] Can stability be maintained?

[Bordon] Yes, absolutely. The Menemist social productive model has failed. We have enough reserves and time to preserve our economic stability. My government will restore political confidence and defend our stability a lot better than the Menem administration.

[Termine] What will you do to recover that confidence?

[Bordon] When I was even further down the surveys and my chance of becoming president was a lot more tenuous, I said that three out of every two Argentine citizens have already lost confidence in this government. The issue now is to see if people believe we are an alternative capable of overcoming the situation. I repeat, this is beyond what might happen to the economy. I will not structure a future government based only on this.

[Termine] What do you think of the latest adjustment measures implemented by [Economy Minister Domingo] Cavallo?

[Bordon] The package contains contradictions. On one hand it proposes improving the productivity of public servants and on the other hand it cuts their salaries indiscriminately. Cavallo should have cut other items like the 1.3 billion pesos allocated for presidential spending. There will be more adjustments before 14 May. Remember that those who adjust spending are like those who cut your hair but end up cutting off your ears, and sometimes even your head. The government does not seek to streamline anything with those measures.

[Termine] It is nevertheless doing so. The administration knows society does not like those measures and we are less than two months from the election. Do you not recognize what it takes to do that?

[Bordon] The international situation had a very strong impact on Argentina due to the weaknesses of the economic model. What I see is an attempt to take advantage of the crisis to solve as many of the model's problems as possible. I am concerned because Cavallo may end up like the shepherd boy in the story: He cried wolf so many times that when the wolf really came no one believed him.

[Termine] You have said you will make a government with the middle classes. How will you get those who took advantage of the system and those who were neglected by this model to vote for you?

[Bordon] The middle classes are opposed to strongly stratified societies where the rich get richer and the poor get poorer. I believe in a more just society with a more equitable distribution of wealth. I want to rebuild the Argentina that we almost had at one point in our history. An Argentina where the middle class was not a small sector in the middle, but a group of people stretching from workers to small- and medium-size entrepreneurs—including technicians, professionals, and university students. This model seeks just the opposite; it concentrates all efforts in economic aspects while trying to contain the poorest groups to avoid social explosions.

[Termine] What is your model?

[Bordon] We will distribute wealth better and try to give the economy more dynamism. The economic dynamism of the middle classes will enable us to really solve the problems of poverty, our cultural and social marginality, and the neglect affecting parts of our territory. People want an independent judicial system, clear rules of the game, restrained spending, and austerity—not only when things get difficult.

[Termine] How can you get the "establishment" to support your project?

[Bordon] We are gradually winning the trust of important groups due to our clarity, sincerity, and precision. We think we will find dynamic and modern people among the largest entrepreneurs, people who understand the world of exports.

[Termine] They may trust you, but why would they vote for you?

[Bordon] Those who want a permanent economic development realize that a bankrupt and stratified society like the present one does not provide many possibilities for future development. Important entrepreneurs know how the world operates: A society with poor education, with large groups of the population eating poorly and badly educated, does not produce competitive entrepreneurs. Of course, some people will always prefer the privileges of the old system, where the capacity to compete is based on exploitation and terrible social conditions.

[Termine] Why would those groups stop supporting Menem?

[Bordon] With each day that passes it is more difficult to know what he will do.

[Termine] Do you think people no longer trust Cavallo?

[Bordon] They have stopped trusting the entire government. Menem depends on what the economy minister does. He has an old vision of things that is not longer practiced by any developed country. I always ask people: "Do you know who is the U.S. economy minister?"

[Termine] What would you do about unemployment?

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[Bordon] Experts analyzing the macroeconomic situation believe unemployment will get close to 20 percent by the middle of next year if the same economic policies continue. I would have the difficult challenge of lowering this index with a government that is more efficient with the public purse. I would do this two ways: First, by putting priorities in the correct order, collecting from the pockets of the corrupt and passing it to the priority areas; and second, I would implement a progressive tax reform without losing its ability to collect, or the dependability that people and entrepreneurs need.

[Termine] Do you still oppose devaluation?

[Bordon] This government cannot devalue. The next government cannot devalue either. The devaluation in Brazil could be predicted because they do not have a convertibility law. Devaluation in Brazil does not mean the same as in Argentina. They are trying not to be trapped as we have been.

[Termine] Do you have the support of unions under the Argentine Workers Confederation (lead by Victor de Gennaro)?

[Bordon] We have held talks and we have friends in some unions, but no workers federation has given us their overall support.

[Termine] Will you change our relations with the United States?

[Bordon] I will maintain our good relations, of course, but without overacting the Argentine role in some international conflicts. I will place more emphasis on work and production in our country. On issues like the patents law I would not look for an unnecessary conflict but I would have the country's interest more at heart.

[Termine] Are you a friend of Ambassador James Cheek?

[Bordon] I have better and more personal relations with other ambassadors. Cheek invited me to two meetings and visited Mendoza during the Wine Festival last year. Our relations are good but not special.

[Termine] Why do you not accept the idea of a coalition government?

[Bordon] I would accept it in a real emergency. I prefer the opposition to act as a control mechanism. We can reach agreements through dialogue. In this way political parties need not lose their identities.

[Termine] How are relations between Frepaso and the Radical Civic Union [UCR]?

[Bordon] The Santa Cruz agreement was worked out by the people of that province (there will be two sublemmas in the gubernatorial election there: one ticket headed by Rafael Flores of PAIS [Open Politics for Social Integrity] backed by Ricardo Patterson of the UCR and another ticket in the inverse order). This is not part of any global negotiation.

[Termine] Will you negotiate with other political leaders before the upcoming election?

[Bordon] Middle level leaders from the Justicialist Party and other independent movements are progressively joining our alliance.

[Termine] Will you talk with Raul Alfonsin soon?

[Bordon] Nothing is planned. Besides, the deadline for registering alliances ends on 14 March. Three forces will compete in the next election: the ruling Menemism, the UCR, and Frepaso.

Bolivia

President Urges World Solidarity at UN Summit

PY1403214295 Madrid EFE in Spanish 1659 GMT 12 Mar 95

[FBIS Translated Text] Copenhagen, 12 Mar (EFE)—Bolivian President Gonzalo Sanchez de Lozada explained the reforms that are being implemented in his country in a speech at the Social Development Summit that is taking place in Copenhagen. He said that "much is being said here about solidarity, but we hardly see any."

"Ahead of time, and on its own, my country is putting into practice the commitments of this summit" by means of three main reforms: popular participation, educational reform, and capitalization (partial privatization) of the state companies, Sanchez de Lozada told the plenum of the summit.

Although Bolivia "promises to make its own efforts, it also understands that like any other social effort this requires foreign funds," Sanchez de Lozada said, in a speech at the summit that will end tonight with the adoption of a plan to combat poverty, unemployment, and social disintegration.

"We cannot ignore that progress in several regions of the world was attained with funds and support from abroad, from the great capital flows transferred in the times of colonialism, up to the Marshall Plan for the reconstruction of Europe" after World War II, Sanchez de Lozada reminded the developed countries.

In a news conference after his speech, he added that the goal of allocating 0.7 percent of the GDP of the industrialized countries for development is increasingly becoming "an illusion."

The richest countries are restricting their help abroad, Sanchez de Lozada said, clearly alluding to the United States among other countries. He said that he feels "pessimistic regarding the future of aid for human development."

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These aid cuts are a "regrettable mistake," he said, because "sooner or later the cost will be greater" in the "social, political, economic, and environmental" fields.

There are some exceptions to this outlook, such as Denmark, which has pardoned the bilateral debt Bolivia owed to it (approximately $17 million), something for which he gave deep thanks.

In his speech the Bolivian president said that his country applies "the Bible principle of help yourself, and I will help you."

Bolivia "is making the effort to change, and that is why it is essential that investment programs, aid for the balance of payments, and the opening up of markets by friendly governments and multilateral and nongovernmental organizations should continue and increase on a short term basis."

However, during an interview with EFE two days ago, Sanchez de Lozada said that the Paris Club governments will not pardon two-thirds of the Bolivian bilateral debt with them this year, contrary to what had been expected.

Besides, he said during the news conference, aid is being restricted, and the markets will not open up, so that the motto "trade, not help" will become "neither trade nor help."

Sanchez de Lozada criticized the U.S. initiative, announced today in Copenhagen by U.S. Vice President Al Gore, to channel 40 percent of U.S. aid for development through nongovernmental organizations (NGO's).

A great portion of the money of the NGO's is sometimes absorbed by their general expenses, and besides, they have their own agendas that have nothing much to do with the goals of the governments of the countries they are helping, the Bolivian president said.

With this initiative, Sanchez de Lozada believes, the United States wants to find a more efficient formula that is less apt to be criticized to send bilateral help to the countries that need it.

However, "I am worried about the fact that this means eluding its responsibility in bilateral relations and in solving the problems that affect humanity rather than individual countries," he said.

In clearly rejecting U.S. criticism of alleged sluggishness in combating drug trafficking in Bolivia and in other Latin American countries, Sanchez de Lozada recalled that it should be a "shared" struggle between drug producing and consuming countries, because if there were no demand there would be no production.

Developed countries, he said, are "increasingly less creative, more insensitive, and more demanding in seeking someone to blame" instead of finding a solution.

Sanchez: Debt Will Not Be Canceled This Year

PY1503183095 Madrid EFE in Spanish 1941 GMT 11 Mar 95

[FBIS Translated Text] Copenhaguen, 11 Mar (EFE)—President Gonzalo Sanchez de Lozada told EFE that this year the Paris Club will not cancel two—thirds of Bolivia's bilateral debt.

In Copenhagen the Bolivian president, who will give a speech tomorrow, 12 March, at the closure of the World Summit for Social Development, said: "It seems that what they will grant us is a rescheduling of the debt."

The 185 UN member countries, more than half of them represented here at the highest level, will formally adopt an ambitious plan to eradicate absolute poverty and promote employment and social integration, although it is still uncertain where the funds for this will be obtained, because there are no signs that the Northern Hemisphere will increase its aid to the Southern Hemisphere.

During the summit and his meetings with other representatives to the summit, Sanchez de Lozada will explain that, through his Popular Participation Program, the education reform, and his "capitalization" (partial privatization) plan with social overtones, Bolivia is "at the vanguard of social change."

During an interview with EFE he said: "We are at the vanguard of the countries that help themselves before asking others for help."

Therefore, this year Bolivia hoped to benefit with the so-called "Naples terms" of the Paris Club, which cancels 67 percent (instead of the previous 50 percent) of the debt payments of the poorest and most indebted countries, as well as forgiving part of the debt capital. Last month, for the first time, the creditor countries implemented this system with Cambodia and four African nations.

Bolivia hoped that during the meeting scheduled for the end of the month with the Paris Club, two-thirds of its bilateral debt would be canceled.

The Bolivian president, who said there is resistance for other reasons, "more than anything legal," by other countries such as Japan and Germany, to canceling the debt, said that "the United States has told us they are having difficulties with their budget and would probably not be able to do so."

Therefore, it does not seem likely that Bolivia's debt will be canceled this year. The Bolivian foreign debt amounts to approximately $3.9 billion.

He added that although most of the debt was contracted with multilateral financial institutions (that do not cancel the debt), the bilateral debt is "relatively" significant, and is decisive in a fragile economy.

Sanchez expressed his satisfaction with and gratitude for Denmark's decision to cancel $166.6 million of the

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bilateral debt of six countries, including Bolivia and Nicaragua. Bolivia owes Copenhagen $17 million.

Denmark's decision "should serve as a good example," stated Sanchez de Lozada, who hopes that "when the budget is prepared and some political problems" are solved, the Paris Club will cancel two-thirds of Bolivia's bilateral debt, probably next year.

"If we are able" to reschedule the debt this month until 1997, when Bolivia's commitment with the IMF ends, "we shall see if during those months or years a consensus surfaces to cancel" two-thirds of the debt.

In the Bolivian president's opinion, the U.S. dissatisfaction with Bolivia (and other Latin American countries) due to the alleged lack of effort to fight drugs did not influence Washington's decision not to condone the debt.

He said that the United States "is busy" saving and "the easiest thing in this effort is the cutback in foreign aid." The cuts have been for budget reasons rather than the drug problem, but the United States expects "magic solutions" without granting political and economic support that would be necessary for a poor country such as Bolivia.

Early this month the United States said Colombia, Paraguay, Peru, and Bolivia do not struggle hard enough against drug trafficking, but did not sanction them, in the interests of "national security reasons."

"We are striving hard" against drugs, not because the developed countries demand it, but because of the damage it causes our own societies, "with institutions such as the Armed Forces, political parties, the Judicial Branch, and the business sector at stake."

To struggle against drug trafficking is a shared responsibility; if there were no demand, there would be no production. According to the U.S. report, "it is neither positive nor constructive to try to put the blame on us."

Moreover, the hope is expressed that the Mexican crisis and the "tequila effect" will not have "greater consequences" for the partial privatization process in Bolivia, but admitted the great possibility that the prices the investors are willing to invest in the capitalization process may have become "more conservative."

Despite the Mexican crisis, Sanchez de Lozada supports integration and free trade: "Poverty cannot be defeated if there is no access to the great markets," and the Free Trade Agreement continues to be "a great hope."

However, with the Mexican crisis and its repercussions in the region, perceptions since the Miami Summit, when it was agreed to turn the continent of the Americas into a free trade zone by the year 2005, have changed.

In Miami Sanchez de Lozada said that "2005 seemed a reflection of great cowardice; now I think it is a sign of optimism."

President on Landlocked Situation, Ties With Chile

PY1503191695 Madrid EFE in Spanish 1554 GMT 12 Mar 95

[FBIS Translated Text] Copenhagen, 12 (EFE)—Bolivia cannot forget or give up its demand for a passage to the sea, and in order to meet its expectations, it trusts "in understanding and dialogue, and in seeking creative solutions," Bolivian President Gonzalo Sanchez de Lozada said here today.

During a news conference after speaking at the World Summit on Social Development, which ends today in this city, the Bolivian president was asked about the landlocked situation of his country and about relations with Chile.

"They are very good, possibly because we do not have relations," Sanchez de Lozada said grinning. "We are seeking to establish a dialogue without excluding any subject, as well as exploring several fronts of rapprochement," he added.

Bolivia lost its passage to the sea during a war with Chile in the last century.

"It would be very difficult, it would even be bad luck, to say whether we will do well or poorly, whether we will attain a passage to the sea or not. It is a subject of current interest. We do not want to create false expectations, but we also do not want to rule them out," the Bolivian president said.

Regarding whether it is possible for Bolivia to give up its claim to a passage to the sea, Sanchez de Lozada replied in the negative. "When you live so near the sea, you hear the sounds of the sea," he said.

Although "we do not have the answer" to solve the landlocked problem of Bolivia, Sanchez de Lozada said, "we are willing to seek a constructive and creative" solution.

In reply to a question about the border conflict between Peru and Ecuador, he said he hopes it will be buried in the 19th century "if it is possible, with frank and open discussions, so as to find solutions that will allow us to enter the 21st century unencumbered by the ghosts of the 19th century."

Editorial Assesses Coca Problem, U.S. Certification

PY1503141295 La Paz LA RAZON in Spanish 3 Mar 95 p A5

[Editorial: "U.S. Certification and the Coca Issue"]

[FBIS Translated Text] The indulgence President Clinton has just granted us to prevent the implementation of economic sanctions on our country, which is accused of not fighting drug trafficking sufficiently, is only a pause in the onslaught we have been experiencing for several years. But regardless of how good the U.S.

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President's intentions may be (in fact they are good, and we should understand and appreciate it in this manner), his "pardon" only postpones a terrible and unappealable sentence that was already passed against us by those who today control the mental and ideological state and scenario of the superpower.

The first postponement can be canceled in Congress. As the new landlords of Capital Hill (Dole, Gingrich, Helms) have been charged with pointing out, the presidential complaisance with Bolivia (and with our colleagues in misfortune Colombia, Peru, and Paraguay) may not be taken into account by the legislative branch, almighty in itself and with an overwhelming majority opposed to Clinton. That is to say, even more drastic decisions can come forth from the U.S. Congress. Some examples might be: "The financial support to the Bolivian balance of payments in 1995 is eliminated," and, going further, "the U.S. delegates to the World Bank and the IDB [Inter-American Development Bank] are instructed to block the disbursements for the gas pipeline to Brazil and for the strategic highways which Bolivia is now building."

And what can we do to avoid such a disaster? We can do one thing: Destroy the surplus coca crops according to Law 1008, regardless of the method employed to achieve this, and file suit against Bolivian bankers who are suspected of money laundering and close some financial institutions as a lesson for others. And something else: Extradite by tomorrow, if possible, 17 people who are sought by the United States to keep them in secure prisons, of the type which do not exist in Bolivia. For if we have obtained a note of approval in persecuting drug traffickers and dismantling laboratories, where the evil drug is manufactured, we have flunked in everything else.

That is the clear message included in the apocalyptical report of the commission in charge of the drug-trafficking issue, read in an atmosphere of gloom by the crestfallen and defenseless Sanchez de Lozada, Samper, Fujimori, and Wasmosy in Montevideo on Wednesday, 1 March. This is demonstrated by a picture that quickly traveled around the world and that we reproduced on the front page of yesterday's edition.

The most delicate point by far is the eradication of the so-called surplus coca crops. We will probably be forced to use drastic measures, such as those Colombia is employing, which include aerial spraying with defoliating chemicals. For unlike Bolivia, Colombia, according to the implacable inquisitors, is doing well in eradicating but bad in persecuting drug traffickers. (Assistant Secretary Robert Gelbard has again, over international television, personally accused Colombian President Ernesto Samper of complaisance concerning the kingpins of the Cali cartel.)

But in our case, what would be the cost of a confrontation with the adamant and provocative coca growers from the Chapare, who are in continuous collision with the no less blunt leaders of the COB [Bolivian Labor Confederation]? There would be violence and social tragedy; we can be sure of that. And it is known that violence, while easily unleashed, cannot be stopped readily once it breaks out. This is demonstrated by that mirror image called Colombia. Some voices have already been raised in favor of that idea, or at least that can be deduced from remarks made by the Senate president and deputy leader of the Nationalist Revolutionary Movement, in addition to other opinions that are also influential in the country.

But supposing that we engage in an undesirable rural war. It can be presumed that this could be deemed unsatisfactory by our inflexible inquisitors, and then a new pardon that the U.S. Congress can grant us will become a second postponement of the punishment, revocable the following year. What could happen then is that those who are powerful now in the U.S. Congress might request immediately not economic sanctions but other types of actions similar to those already suggested and practiced in some parts of the world, such as "a low-intensity war" or "rapid deployment military maneuvers." Those who view this as an exaggeration or alarmist thinking need only listen to the invasion threats that are already hanging over the Colombian islands of San Andres and Providencia.

So far President Sanchez de Lozada seems to be handling the problem well. There is sincerity in his actions; prudence in his language; openness in making us see the crossroads in which the coca growers and the United States have placed us; and, in particular, a continuous appeal to the people in the quest for solutions.

There are no easy solutions to the problems lying ahead, and for this reason, our essential task is to be solidly united. Without this prior requirement or prerequisite, we can be sure that the specter of national dissolution will be present, in all its crudeness.

Foreign Minister Promises To Prevent Coca Crop Increase

PY1503160195 Madrid EFE in Spanish 2126 GMT 14 Mar 95

[FBIS Translated Text] Vienna, 14 Mar (EFE)—Bolivian Foreign Minister Antonio Aranibar Quiroga stated today, 14 March, in Vienna, before the UN Narcotics Commission, that Bolivia promises to prevent current coca crops from increasing, and, if money is available, to reduce them.

In his speech to the 38th session of the UN Narcotics Commission, the minister added that the Bolivian Government "promises to cut the reduction-replacement vicious cycle, resorting to all measures provided for by Law 1008, which rules the Bolivian antidrug strategy."

The final report prepared by the UN International Council of Narcotics Control (JIFE) states that in Bolivia "the area of illegal coca crops has been continuously

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increasing over the past few years, while the concrete results of the coca eradication campaigns have dropped considerably."

In the same report, however, the JIFE "recognizes the efforts made by the new Bolivian administration, the result of which has been the eradication of more than 3,000 hectares of coca crops during the first six months of 1994."

Aranibar also referred to the need to restore what he called "shared responsibility."

He also noted the "concern" prevailing in Bolivia as a consequence of what he called "effort in the area of supply in the antidrug fight," which has not been repaid "with a consistent reduction in the demand, where the problem seems to be worsening every day."

The minister referred to the danger that drug trafficking represents for the "small and fragile states like the one I have the honor to represent." He added that the current system of overseeing production, trafficking, and consumption of drugs has been shown to be "ineffective."

He also recalled that in Bolivia, a country that "did not choose the role of supplier of cocaine raw material, as it did not choose in the past to meet the demand for silver, rubber, or tin (...) which have fed the development of the powerful empires," the "internal use of narcotics and psychotropic drugs has not, thus far, surpassed average regional levels."

Aranibar referred to the sensitivity with which everything referring to coca is received in Bolivia, and said that the defense of this "has often been associated with defense of sovereignty and self-determination, which are so dear to the identity of any nation."

According to the minister, on occasion this situation has been reached because of the "foreign press" reports on Bolivia, "which is no longer willing to keep appearing in the cables" of international communications media "only when some scandal linked to drug trafficking occurs."

The minister added that "the area in which other crops are developed in the coca producing regions is larger than that of the coca crops."

He added that the results obtained in the enforcement of measures against organized crime and the fulfillment of the provisions of international conventions and national laws, as well as the oversight and control of surplus crops, represent a "significant success."

Brazil

Serra: Government To Reduce Economic Growth Rate

PY1503180095 Sao Paulo AGENCIA ESTADO in Portuguese 2058 GMT 14 Mar 95

[FBIS Translated Text] Brasilia, 14 Mar (AE)—Planning Minister Jose Serra today said the government will reduce the rate of growth of the economy to avoid jeopardizing the stability of prices. According to the minister, the 13-percent industrial production growth that was registered in December is unsustainable. "It is exclusively a matter of speed, not of provoking a recession," Serra explained during a briefing to the Senate Economic Affairs Committee. "The Fernando Henrique Cardoso government has a sacred commitment to keep inflation under control," he emphasized.

Serra did not want to anticipate whether new consumption reduction measures would be adopted, but he made it clear that "the economic policy is directed against inertia," that is, decisions will be made whenever necessary. According to the minister, in addition to the excessively rapid economic growth, the government is facing two other problems in its efforts to maintain the stability of the real: The increase of public expenses, which jeopardizes the budget balance, and the deterioration of external accounts caused by the international financial crisis unleashed by Mexico's bankruptcy.

The minister said that preventive measures have been adopted to prevent the aggravation of those problems. In addition to cutting public expenses and exempting exports from PIS [Social Integration Program] and Cofins [Social Investment Contribution] payment, the government decided to give more flexibility to the exchange policy, in order to permit a devaluation of the real. He said the exchange policy should have been modified in January, but the Mexican crisis led the government to delay the measure. "At that time, a modification could have been mistaken as a sign of weakness on the part of the government," he said.

Deficit—While he avoided making predictions on the performance of the external accounts, Serra admitted as reasonable the projections by some economists of a $10-billion current account deficit in this year's balance of payments. "It would not be a tragedy," he said. This figure might result from a $15-billion deficit in the services account (interest, royalties, freight, and other payments), and a $5-billion balance of trade surplus. In the minister's opinion, this deficit can be financed with long-term foreign capital. "It is estimated that there will be a boom of direct investments in the Brazilian economy," he said.

Serra declined to comment on the news that the balance of payments registered a deficit, of up to $1.2 billion, in February, saying that he preferred to wait for the official figures to be released by the Ministry of Industry, Commerce and Tourism. He also reported that short-term investments account for "no more than one-third" of the exchange reserves, and that such investments can be withdrawn any time. Even so, he said there are market restrictions that prevent the accelerated withdrawal of that money. "For example, if funds are withdrawn too rapidly from the stock exchange, prices fall and investors lose money," he said.

For the minister, the Real Plan completed its eighth month without repressed inflation. "Supply should grow

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in order to meet demand. Yet the economy should continue to grow at a reasonable rate, at a level that can be sustained by the available savings. In the past, there were periods of high pressure as a result of which growth had to suddenly stop, while inflation and unemployment grew," he warned.

Central Bank Punishes Dealer Over 'Speculation Outbreak'

PY1403123095 Sao Paulo AGENCIA ESTADO in Portuguese 2332 GMT 13 Mar 95

[Report by Carlos Franco]

[FBIS Translated Text] Brasilia, 13 Mar (AE)—The Safra Bank no longer operates on the exchange market as a dealer, that is, as an institution authorized by the Central Bank (BC) to operate directly or on behalf of third parties in trading dollars, or to engage in interest rate arbitration. On 10 March, the Safra Bank operated as a dealer. On that day, 21 institutions participated with BC authorization, including the Boavista Bank—which subsequently replaced the Safra Bank. The Central Bank Information System (Sisbacen) bidding records today returned to the normal number of 20 authorized institutions—without the Safra Bank.

Safra is the first institution to lose BC authorization to operate as a dealer following "last Thursday's speculative outbreak" which led the BC to hold 32 auctions in one single day to back the real with respect to the dollar. BC directors, and the BC president himself, noted that other dealers might be punished, but no names have been mentioned. Rumors circulating on the financial market and in the corridors of the BC in Brasilia—which were not confirmed by the BC—indicate that Pactual, Unibanco, and BBA [expansion unknown] might lose their dealer status.

Advisers in the economic area suggest the decision to cancel the authorizations and to strongly punish some dealers came from Planalto Palace. President Fernando Henrique Cardoso was reportedly irritated at last Thursday's so-called "speculative outbreak," when financial institutions tested the government power to maintain the real. The cost of this arm wrestling, according to the financial market, was almost $7 billion. The government was even more irritated because suspicion has fallen on the BC dealers, that is, the 20 institutions that are authorized to operate on behalf of the BC on the exchange and interest market.

BC directors made it clear they will punish dealers that did not operate in harmony with the government, giving rise to the so-called "speculative outbreak," as Arida put it. The arm wrestling with the dealers began exactly one week ago, on 7 March, when they met with the BC president and directors to hear about the band system. After the meeting, each dealer provided its own version of the information received from the economic team. Some criticized the way the BC announced the new system. Their criticism was supported by Maria da Conceicao Tavares, the PT [Workers Party] Deputy for Rio de Janeiro, who said the team could give no clear explanation when it implemented the band, thus causing confusion.

Downplays Dealer Punishment

PY1503180195 Sao Paulo AGENCIA ESTADO in Portuguese 0109 GMT 15 Mar 95

[FBIS Translated Text] Brasilia, 14 Mar (AE)—Through official communiques released tonight, Central Bank [BC] President Persio Arida attempted to downplay the crisis between the BC and its 20 "dealers" (banks operating in the money market on behalf of the BC) as a result of the "speculative outbreak" that occurred on the exchange market last week.

Arida has gone as far as downplaying the cancellation of the Safra Bank's license as "dealer." At a meeting with Jose Safra and Safra Bank President Carlos Alberto Vieira, Arida said: "I regret the fact that an isolated decision of an exclusively technical-administrative nature has had such a disproportionate impact."

In an attempt to mend the image of the Safra Bank, a BC official communique states that the bank "continues to normally discharge its duties as 'dealer' in operations involving public securities and in every sector of the national financial system." At no time does the BC communique on the Safra Bank specifically refer to the cancellation of its license to operate as a "dealer" on the exchange market. On 10 March, the BC replaced the Safra Bank with the Boavista Bank as a "dealer."

The cancellation of the license is admitted only in another communique issued by the BC. In this communique, Arida said that "in the face of repercussions in the national press about the BC relations with those institutions operating as 'dealers,' the BC hereby publicly states the following: "1. The 'dealers' system was established with the objective of expediting procedures and of reducing credit risks in exchange market interventions; "2. The 'dealers,' which consist of 20 financial institutions, are individually licensed by the BC to operate as BC aides in the process of electronic auctions. The list of 'dealers' is periodically revised every six months, or whenever necessary; "3. Regarding the recent incident involving the cancellation of the license of a 'dealer' reported by the press, the decision was made by the BC exclusively for technical-adminstrative reasons; "4. A new system of relations between the BC and the domestic exchange market is currently under study with the purpose of improving operational aspects."

Cardoso Wants State Companies To Reduce Spending

PY1503191895 Rio de Janeiro Rede Globo Television in Portuguese 1600 GMT 15 Mar 95

[FBIS Translated Text] President Fernando Henrique Cardoso wants state-run companies to reduce spending

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and increase productivity. The respective measures were discussed during a meeting at Planalto Palace this morning.

The ministers and the presidents of all state-run companies were summoned to dicuss the measures aimed at increasing productivity without increasing expenses. The measures must be in keeping with the targets of the economy, Cardoso said.

For the president, the Brazilian economy is better than that of other countries in South America and in Latin America, which are going through a crisis.

President Cardoso added that Brazil will not coexist with low growth rates and growing unemployment. He noted that the speculators who attempted to boycott the Real Plan lost the battle and are now paying a high price for it.

Cardoso called upon the presidents of the state-run companies to join the fight against inflation, categorically saying that state-run companies that do not back the government are against it, and that he will not tolerate this.

[Begin Cardoso recording] I will not tolerate government enterprises working against the government. I will not tolerate it, and I am certain that I will have the support of the directors and presidents of the organizations, because, if for no other reason, they are not participating in the government if they do not lend support, and there will be immediate consequences for those who have no solidarity with the government.

I do not want to see public funds being used for campaigns against the government. I do not want government companies subsidizing, either directly or indirectly, campaigns against the government position.

The government was elected with the support of 34 million Brazilians, which is an absolute majority. During my campaign, I said what I would do. Consequently, what I have is not a blank check but a resolution, a mandate from the people to make the modifications that are being made.

Whoever is against them is against the majority, and a democracy is ruled by the majority. [end recording]

Military Ministers View Defense Ministry

[FBIS Media Note] Recent press reporting indicates that while Brazil's military ministers have divergent views regarding the creation of a Ministry of Defense, they do not object to the appointment of a civilian as head of the ministry.

During recent discussions between Brazil's military ministers concerning the creation of a Ministry of Defense, a difference of opinion has arisen regarding the initial steps to begin integration of the Army, Navy, and Air Force Ministries, Brasilia correspondent Cesar Felicio reported in Sao Paulo business daily GAZETA MERCANTIL on 8 February. The discussions have been chaired by minister and chief of the Armed Forces General Staff (EMFA), General Benedito Leonel. Studies on the creation of the new ministry are being conducted separately by the General Staff of each branch of the Armed Forces, with the military ministers themselves acting as liaison with EMFA Chief Leonel. The armed services seem to have different points of view on the matter:

Air Force Minister Mauro Jose Miranda Gandra has opined publicly, as reported by Rio de Janeiro conservative daily O GLOBO on 6 January, that a good beginning would be the formation of combined operational commands in the Amazon region, along the lines of other joint efforts already being implemented in the region. The Navy minister, however, views the matter as predominantly administrative. In response to a recent GAZETA MERCANTIL questionnaire, Navy Minister Mauro Cesar Rodrigues Pereira wrote: "The ministry is, by definition, an administrative entity." He saw no reason "to take operational actions." The Army Ministry, according to the 8 February GAZETA, responded to the questionnaire by saying that it could not yet state its position on creation of a defense ministry because its studies have not be completed.

Limited Consensus

There has been some consensus on several points, GAZETA pointed out. There is no apparent objection to a civilian heading the future ministry. A civilian, the article noted, is not perceived as diminishing the political power of the Armed Forces, and military men themselves recall that the supreme commander of the Armed Forces, President Henrique Cardoso, is the "very incarnation" of civilian power. The services also agreed that models for establishing the Defense Ministry should not be imported, and that military men should themselves decide how the new system will function.

Addressing the topic of the Defense Ministry in government-leaning Brasilia daily CORREIO BRAZILIENSE on 5 February, reporter Joaquim Monteiro also maintained the views expressed in the 8 February GAZETA article that the military ministers do not oppose a civilian heading the future ministry. The writer noted that in the 19th century, civilians Pandia Calogeras and Salgado Filho, respectively, served as ministers of the Army and Air Force under the then republican government.

The CORREIO article also observed that the creation of the Defense Ministry is not of interest to the majority of the Armed Forces on active duty, and quoted a comment by an Army General Staff general officer that if the troops were consulted, they would opt for the present system. The article concluded by quoting an unidentified Army colonel as saying that the more conservative military men feared that a civilian from the new crop of politicians, serving as defense minister, "might carry the germ of party politics, with which the Brazilian soldier does not relate, inside the barracks."

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Chile

Foreign Minister Explains Focus on Latin America

PY1503163095 Madrid EFE in Spanish 1811 GMT 12 Mar 95

[FBIS Translated Text] Santiago, 12 Mar (EFE)—Chilean Foreign Minister Jose Miguel Insulza has said President Eduardo Frei's administration is now focusing more on Latin America, unlike before when differences among countries of the region were stressed.

In remarks published on 12 March by the government newspaper LA NACION, Insulza said: "We have done a 180 degrees turnabout since the famous 'goodbye Latin America' of the past decade."

The Chilean foreign minister said: "We can and must try to behave as best we can within the region. No one can ever take us out of this region."

He added: "We care about Latin America not just to show we are different. We care because if things go wrong for Mexico, Argentina, or Brazil, it will affect us in the long run—things will not go as well as they should."

He added: "Instead of following the previous gibberish that we had a nice house in a bad neighborhood, we should say that events in the neighborhood affect the way things work in the house."

Insulza spoke to LA NACION in Madrid during President Frei's tour of Europe. He said this message "has been very well received" by European nations.

Regarding integration, he explained that Chile's future entry into the Common Market of the South (Mercosur, which comprises Argentina, Brazil, Paraguay, and Uruguay) goes far beyond merely economic aspects.

The Chilean foreign minister said: "We want Mercosur and South America to be the basis for a strategic alliance and a broad economic and political space that will imply not only the reduction of taxes on goods and services and the investment issue, but also a physical, energy, and political integration."

PRC General Stresses Ties With Armed Forces

PY1303181595 Santiago EL MERCURIO in Spanish 4 Mar 95 p C6

[Article by Hernan Cisternas Arellano]

[FBIS Translated Text] Valparaiso—General Xu Huizi, deputy chief of general staff of the PRC People's Liberation Army, yesterday stressed in Valparaiso the excellent relations that have prevailed for more than 20 years with the Chilean national defense institutions. He also expressed interest in strengthening military friendship, and called for the achievement of institutional cooperation.

Gen. Xu Huizi, who visited Valparaiso together with high-ranking officers of the three branches of the People's Liberation Army and PRC Ambassador to Chile Zhu Xiangzhong, made these remarks at the Navy Headquarters during a meeting with Admiral Jorge Martinez Busch, whom he invited to visit his country in the same manner as the visit made by the commanders in chief of the Army and the Air Force.

The Chinese general recalled that after the reestablishment of diplomatic relations between the PRC and Chile in the 1970's, the first concrete exchange between the Armed Forces of the two countries was at the level of the two countries' navies.

He said that thanks to those contacts, the training vessel Esmeralda was able to make its first visit to a Chinese port in 1972.

He expressed thanks for the Chilean Navy's contribution toward the institutional friendship and improved relations between the two nations.

Gen. Xu Huizi said that his visit to Chile seeks essentially to contribute toward the strengthening of the traditional friendship between the two countries' armed forces.

He added that increasing relations of cooperation demands much and intensive work, and that this type of contacts affords a very good opportunity to learn from the good experiences accrued by one side or the other.

Admiral Jorge Martinez Busch, in addition to expressing his agreement with the Chinese visitor concerning the need to strengthen relations between the institutions of national defense, said that the primary interest of the two states and their respective armed forces lies in the fact that they are countries of the Pacific Ocean, which will become the ocean of the 21st century.

Colombia

Minister Denies Venezuelan Troops To Enter

PA1503194495 Santa Fe de Bogota Inravision Television Canal A Network in Spanish 0000 GMT 15 Mar 95

[From the "Seven O'Clock Newscast"]

[FBIS Translated Text] [Unidentified announcer] Colombian Defense Minister Fernando Botero said on 14 March it is untrue that President Samper has authorized Venezuelan military men to enter Colombian territory in pursuit of the guerrillas, as was reported on the evening of 13 March.

[Begin recording] [Unidentified reporter, in progress] ...theory that there is an agreement and Colombia, and under certain cases, could allow military men to enter Colombia. What dangers would they face in fighting the guerrillas who are prowling this sector?

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[Botero] The guerrilla problem is a Colombian problem. We in Colombia—given our limitations, advantages, strengths, and weaknesses—are responsible for fighting the guerrillas, as we are in fact doing. This is a very difficult issue, as the country knows, but the military forces and the National Police are committed to confronting the guerrilla challenge militarily.

[Reporter] Do you categorically reject any possibility that only Venezuelan military men could operate in that sector, in that corridor?

[Botero] I want to emphatically say the only circumstance in which I see that happening would be following a bilateral accord in which there is absolute reciprocity between the two countries. [end recording]

Samper Asks European Parliament for Aid To Fight Drugs

PA1503175895 Santa Fe de Bogota Inravision Television Canal A Network in Spanish 0000 GMT 15 Mar 95

[From the "Seven O'Clock Newscast"]

[FBIS Translated Text] Today at the European Parliament in Strasbourg, France, President Ernesto Samper Pizano heard the highest praise of his trip for the country's war on drug trafficking. European Parliament President Klaus Haensch and former French Culture Minister Jack Lang, among others, strongly criticized the United States over the recent incident of the conditioned certification issued to Colombia and said this is blackmailing the country that has done the most to fight drugs.

[Begin recording of unidentified Spanish parliamentarian broadcast in progress] ...to continue more effectively, if that is possible, the war on drug trafficking, which is the scourge of all mankind and is a task that belongs to all of us. [end recording]

The European parliamentarians pledged to study initiatives to assist Colombian with more technology. They talked of signing in May, when Samper returns to Europe, a treaty to increase economic cooperation to fight drugs.

[Begin Samper recording] That is why I am here this afternoon at the European Parliament to ask for a vote of confidence for my country, its development, and our people. I came to ask Europe and you who are the spokesmen of the European people to bet on the future of a country that deserves the same opportunity granted to its president to continue living [sentence as heard]. [end recording]

The Colombian president returned to Bogota tonight with his retinue.

Samper Views Drugs, Human Rights, U.S. Ties

BR1403151095 Brussels LE SOIR in French 14 Mar 95 p 2

[Interview with President Ernesto Samper by Veronique Kiesel in Brussels, date not given: "Human Rights and Drugs Trafficking"]

[FBIS Translated Text] [Kiesel] After Madrid and Copenhagen, you are now in Brussels. What is the purpose of your visit?

[Samper] I came here to meet with the Belgian Government and to review our bilateral relations. There is a good level of trade between our two countries. Belgium has major investments in Colombia, and we can hope for significant increases in the coal, electricity, and ports infrastructure sectors. Furthermore, at the European level, we have discussed Colombia's interest in establishing a global treaty with Europe which other Latin American countries could sign. This treaty would cover all aspects of the fight against drugs, including the destruction and replacement of the drug crops, reduction in consumption, the fight against cartels, and the laundering of drug dollars. This proposal was very well received. Specifically, we signed a coal sales contract with Belgium worth 1 million tonnes a year and concluded an agreement with the European Investment Bank. We also came to an agreement with the European Union on four possible alternative crops.

[Kiesel] What effect is the Mexican crisis having on Colombia?

[Samper] This crisis is worrying for all countries as it has an indirect effect which has affected us all, notably through the rise in interest rates on the international capital market. However, in the case of Colombia, and also Chile, the "tequila" effect has not been too serious as we have strong economies, diversified exports, and depend very little on highly speculative capital.

[Kiesel] You have initiated a peace policy with the Colombian guerrillas, but recently these rebel groups have been more active than ever...

[Samper] We did indeed make peace proposals to guerrilla movements, and we want to achieve peace through useful and discreet dialogue. We have also undertaken to humanize this internal war, by subscribing to Protocol No. 2 of the Geneva Convention which protects civilian populations. Finally, we want to negotiate immediately, without waiting for the end of this war, which would be nonsense. Acts of violence are being committed but, following initial contacts with our interlocutors, I am optimistic about the chances of peace, and without delay.

[Kiesel] Since you took office, on 7 August last year, about 100 trade unionists have been killed. Human rights organizations denounce the impunity in Colombia.

[Samper] From the very beginning of my presidency I stated that human rights were not going to be a matter of projecting the right image but a reality. I immediately proposed that Amnesty International should open a permanent office in Colombia. I invited international inspectors to visit our country. I accepted the political and economic responsibility of the Colombian state for

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the Trujillo massacre, a terrible example of human rights violations, and the soldiers responsible were discharged. As I have already said, we signed Protocol No. 2 of the Geneva Convention. Finally, we initiated a process to transform the judicial system and appointed special prosecutors for human rights issues. There are undoubtedly still violations, but we are making progress in our efforts to introduce a new teaching in this area. Courses on this subject are now taught at our military academies.

[Kiesel] How are relations between Colombia and the United States?

[Samper] Washington has initiated an "evaluation" process with regard to all countries with drug problems, in order to assess commitment and results in their efforts to combat this scourge. Colombia's efforts were judged positively, but the United States does remain concerned about certain points. We also have our concerns regarding U.S. policy, especially drug consumption and the laundering of drug money. At the Miami summit in December, for example, I proposed an international agreement on the fight against laundering. We need a clear and unanimous commitment in order to put an end to these practices. We attach great value to our sovereignty, but it is essential to maintain good relations with Washington. A unilateral policy would really be a gift to the traffickers...

Congressional Envoys Meet Cartel Leaders

PA1703130195 Santa Fe de Bogota Inravision Television Canal A Network in Spanish 0000 GMT 15 Mar 95

[From the "Seven O'Clock Newscast"]

[FBIS Translated Text] Members of the National Security Commission of the House of Representatives, including three of the so-called musketeers, today surprised journalists at a news conference when they announced they had personally met with all of the leaders of the drug cartels, including the Rodriguez Orejuela brothers.

[Begin recording] [Unidentified reporter] Can you tell us how the contacts were made? That is what we would like to know.

[Representative Carlos Alonso Lucio] Well, we talked. [laughs] If you are interested in knowing whether we talked with the Cali Cartel leaders and the Rodriguez Orejuela brothers, the answer is this: Yes, we talked with them.

[Reporter] How did you...

[Lucio, interrupting] Through other people. How we contacted them, that is something we cannot... [pauses] That is an answer we simply cannot give you right now and...

[Reporter, interrupting] What did you talk about?

[Lucio] That will be revealed in due time.

[Reporter] Which of the Coast Cartel people did you talk to? What about the ones from the central part of the country? Who are they?

[Lucio] Rest assured that when we tell you we talked with those cartels, this is simply what happened. [end recording]

The talks between congressmen and drug traffickers were carried out as part of a thorough investigation the commission conducted for several weeks with various groups throughout the country. The commission will draft a different proposal for the government on drug trafficking and problems associated with the policy of surrendering to justice. In fact, the proposal was presented to the media, and, within a few days, it will be submitted to President Ernesto Samper for review.

Here are the most important points:

Create a special court within the national courts to exclusively handle cases of people who surrender to justice. The court will comprise five people, whose curricula vitae must be unblemished in the eyes of the world and whose names will be known nationwide.

Create an international inspectors office to supervise proceedings against criminals who surrender to justice. This same office would oversee maximum security prisons where there are drug traffickers who have decided to cooperate with the government. These measures are intended to stop them from breaking the law while in prison.

Create a special statute for surrendering to justice. Among other things, it should clearly state that only drug traffickers who decide to fully confess their crimes will have the right to benefit from this policy.

Insurgent Activities Along Border Viewed

95CA0162A Santa Fe de Bogota EL ESPECTADOR in Spanish 1 Mar 95 p 8A

[Article by EL ESPECTADOR staff writer Nelson Freddy Padilla C.: "The Borders of the Guerrilla War"]

[FBIS Translated Text] Thirty-seven guerrilla fronts with about 60 men each are taking advantage of the borders between Colombia and its neighbors, according to the latest reports that the Military Forces have submitted to the defense minister.

Along the border with Venezuela (2,300 kilometers) the following fronts are operating for the ELN [Army of National Liberation]: 20 in La Guajira; 12 in Cesar; 18 and 25 in Norte de Santander; 4, 6, and 15 in Arauca; and 16 in Meta, Casanare, and Vichada. The FARC [Revolutionary Armed Forces of Colombia] is making its presence felt in La Guajira and Cesar with fronts 41 and 59; in Norte de Santander with 33; and in Arauca, Casanare, and Vichada with 45, 10, 39, and 16. The EPL

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[Popular Liberation Army] is operating in La Guajira with its first front and with the ninth front in Norte de Santander.

According to the Military Forces, this is the border along which the guerrillas are having the most success because the terrain enables them to easily bring in arms shipments, grow poppies in the Perija Highlands (330 hectares were found in July 1994 on the Venezuelan side), collect gram taxes and protection money from the opium and cocaine traffickers, kidnap or shake down ranchers, and steal automobiles or aircraft.

"From kidnappings alone the subversives are taking in some 10 billion pesos a year," said one military analyst. The most recent victims were Venezuelan rancher Adan Portela, whom the ELN killed; his son Diogenes, whom it kidnapped, demanding a 600 million peso ransom; and an oil engineer whom it killed when about to kidnap him. The Venezuelan National Guard says that the drug traffickers hand over 40 percent of their money to the guerrillas.

The ELN has to keep its "northeastern war front" supplied financially and militarily through Venezuela or the Caribbean. The same goes for the "northern bloc," the "Magdalena Medio bloc," and part of the "eastern bloc" of the FARC.

The second most important border area for the subversives, according to military intelligence, is the one between us and Ecuador and Peru. The following groups are active there: Front 28 of the ELN in Narino; FARC squads 30, 8, and 29 in Cauca and Narino; squads 13 and 32 in Putumayo; squads 14, 15, 48, and 49 in Caqueta and Amazonas; and squad 13 of the EPL in Narino.

These cells smuggle weapons, explosives, and fuel; their budget is financed through extortions from the oil sector and taxes on drug traffickers delivering inputs or shipments along rivers or landing and refueling aircraft carrying coca base or cocaine. The ELN's "southwestern war front" and the FARC's "southern bloc" and "western bloc" depend on this source of income.

The Panamanian border is being used by fronts 57, 58, 34, and 5 of the FARC, which are camped in Choco and Uraba. The ELN has installed groups 7, 11, 17, and 30 there, and the EPL squads 4 and 5. The mission of these groups is to take receipt of military hardware acquired in Central America, which then enters the country under camouflage in ships or motorboats; it is picked up in the Darien jungle, too, where there are also financial links to drug traffickers. These activities are coordinated by the ELN's "northwestern war front" and the FARC's "northwestern bloc."

The border with Brazil is the least used. Nevertheless, the FARC is starting to put its people there with the help of commando groups set up by the first front and supported by 48 and 49.

According to a military assessment, they are trying to bring in more arms along the Amazon River, exploit the major commercial activities concentrated in Leticia through kidnapping and extortion, monitor the mining of Colombian-Brazilian gold north of the Amazon, and blackmail the smuggling, logging, and drug-trafficking gangs.

Defense Ministry statistics show that Venezuela and Ecuador are the countries hardest hit by the Colombian guerrillas in terms of attacks on military and police posts and patrols.

Venezuela has reported 21 dead over the past decade, including the eight military personnel killed last weekend in Carabobo (opposite Vichada). The most serious incident in Ecuador came in December 1993 on the San Miguel River (near Putumayo) when the FARC killed seven Ecuadorian policemen and four military personnel.

Neither of these countries has dealt any significant blows to the Colombian guerrillas. On 23 October of last year, Venezuela reported the capture of Jose Isaac Moncada, whom it accused of being "the ELN's kidnapping chief," in San Antonio del Tachira, and Ecuador reported the arrest of 10 Colombian insurgents in the wake of the 1993 ambush.

[Box, p 8A]

Black List

The Venezuelan border: around 100 raids or attacks over the past 10 years and an average of 10 detected cases a year of weapons or ammunition smuggling. Two leaders of the EPL were caught on 15 July 1994 in Cucuta as they were dealing Venezuelan weapons. The guerrillas do most of their kidnapping in livestock areas in the states of Zulia, Apure, and to a lesser extent Amazonas. Thirty Yucpa caciques have been threatening to join the ELN and FARC unless the Venezuelan Government gives them arable land in Zulia.

The border with Peru and Ecuador: A FARC document found in late 1993 said that its number-four leader, Jorge Briceno, took receipt of 30 rifles from Peru's Shining Path. In the first week of July 1994, an armored car filled with weapons for the FARC was seized along the Pasto-Puerto Asis road in Putumayo; it contained a half ton of pentolite, 121 grenades, and 35,000 rounds of ammunition. On 28 August of last year Ecuadorian authorities seized 200 fragmentation grenades and antitank shells bound for the FARC.

The borders with Panama and Brazil: A vessel with 167 rifles for the ELN was captured in 1993 on the isthmus. For a month now, Brazil has been investigating whether shipments of grenades from the Explo company wound up in the hands of Colombian insurgents.

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Ecuador

Minister Announces Pullback, Rules Out Break in Cease-Fire

PA1603131495 Quito Voz de los Andes in Spanish 1200 GMT 16 Mar 95

[From "The Voz Andes Newscast"]

[FBIS Translated Text] Ecuadoran Defense Minister Jose Gallardo has announced that, within two weeks at most, our nation's troops who participated in the conflict will pull back to the Coangos border post. This step was taken to fulfill the requirements outlined in the Itamaraty and Montevideo peace agreements, and it will be supervised by the observers mission from the United States, Brazil, Chile, and Argentina. Meanwhile, Minister Gallardo ruled out the possibility of a break in the cease-fire, adding that we have not engaged in any operations that undermine these agreements.

Observers Confirm Cease-Fire Holding

PA1503190295 Quito Voz de los Andes in Spanish 1700 GMT 15 Mar 95

[From "The Voz Andes Newscast"]

[FBIS Translated Text] Military observers from the guarantor countries have confirmed that Ecuador and Peru are maintaining the cease-fire. The group of observers indicated that during their stay at the Coangos Detachment on the Ecuadoran border, no mortar or automatic weapon fire was heard. Press reports from Peru have said that armed confrontations had broken out again in the Cenepa region. Coangos, the site where the mission is centered, is a strategic location from which, because of its elevation, detonations or gunfire can be heard.

Military observers from Argentina, Brazil, Chile, and the United States arrived in the conflict zone on Monday. They will be replaced by new members of the group today.

For more than one month, Ecuador and Peru were involved in an armed conflict in an undelimited area of the Amazon border which the two countries claim as their own. The observers of the guarantor countries confirmed that the cease-fire in the Ecuadoran-Peruvian border is being maintained.

Joint Command Bulletin Defends Soldiers' Job Entitlements

PA1503195895 Quito Voz de los Andes in Spanish 1700 GMT 15 Mar 95

[Bulletin issued by the Joint Command of the Ecuadoran Armed Forces in Quito on 13 March; from "The Voz Andes Newscast"—read by announcer]

[FBIS Translated Text] The Joint Command of the Ecuadoran Armed Forces reminds all citizens that, given the fact that the country remains under a state of emergency and a national mobilization, as stipulated by Executive Decree 2487, which was published in Official Registry 621, Supplement 2, on 27 January 1995, and in keeping with the provisions of Article 80 of the Mandatory Military Service Law and Article 92 of the amended Labor Code, corporations and private individuals, as well as employers in general, must meet the following obligations:

A. Preserve the basic jobs and workplace for those workers who may be on active duty with the Armed Forces.

B. Return workers to the same position or occupation they held when they were called to active duty, provided they appear for work within 30 days following the date of the publication of their discharge from active service.

C. Cancel IESS [Ecuadoran Social Security Institute] contributions for those workers who are brought into active service for the duration of their service.

D. Cancel wages or salaries in line with Article 81 of the Mandatory Military Service Law.

E. Employers who fail to fulfill the aforementioned obligations will face penalties established in Article 89 of the Mandatory Military Service Law, last paragraph, and Article 42 of the amended Labor Code, without limiting the rights of those affected to claim compensation to which the law entitles them, including compensation for sudden dismissal.

In addition, employers are reminded that noncompliance with the aforementioned rights in this military directive represents a criminal offense for which sanctions are stipulated in Article 139 of the National Security Law. This article reads: Anyone who fails, following a mobilization decree, to observe the orders given, will in effect be punished with prison terms ranging from three months to one year, without precluding that they fulfill the order to render the requested service.

In case of war, sentences will comprise jail terms ranging from three to six years, which will be determined in accordance with the provisions of Article 145 of this same law, which reads: During wartime, or following a mobilization decree, the violations set forth in the preceding chapter will be treated under the terms of the Military Criminal Code, and no exceptions will be made.

Note: Reservists who are not reinstated in their positions must file a report with their local recruitment and reserve centers.

Strict adherence to these obligations is a civic duty that replies to the call of the fatherland.

[Issued] Quito, 13 March 1995
[Signed] Armed Forces Joint Command

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Congress President Praises U.S. Official's Visit

PA1503153895 Quito Voz de los Andes in Spanish 2300 GMT 14 Mar 95

[From "The Voz Andes Newscast"]

[FBIS Translated Text] Congress President Heinz Moeller described U.S. State Department representative Luigi Einaudi's presence in Ecuador and his participation in the search for a definitive solution of the territorial dispute with Peru as positive and very constructive. The U.S. official, described by some local media as Secretary of State Warren Christopher's right-hand man, met on Monday with President Sixto Duran-Ballen for more than two hours.

Moeller said Einaudi's presence indicates a clear interest in learning firsthand about the military problem, its background, and consequences. This is why, Moeller indicated, the U.S. official will be received at the National Congress at noon tomorrow, an occasion that will be used to express to him Ecuador's fervent desire for an end to this painful tragedy through a dignified and definitive peace for the two peoples.

The visit, Moeller said, (?reaffirms) the U.S. attitude with regard to the Peruvian hostilities against Ecuador in Alto Cenepa. Referring to a definitive solution of the territorial dispute with Peru, he emphasized that it would have to be analyzed before and after 9 April, the day of the presidential elections in the neighboring country. In his view, one must sit down at the negotiation table to obtain a more positive attitude from Peru because with the current attitude, nothing can be achieved and the guarantor countries are going to reach the conclusion that arbitration is needed for the territorial dispute. Whoever is the arbitrator—Pope John Paul II, former U.S. President Jimmy Carter, or Nobel Peace Prize winner Oscar Arias—he must seek a dignified and definitive solution acceptable to Ecuador and Peru. The Congress president predicted the peace process will take a long time so national unity should be maintained with the firm conviction that peace will be achieved.

Duran-Ballen Starts European Tour

PA1503145395 Quito Voz de los Andes in Spanish 1700 GMT 14 Mar 95

[From "The Voz Andes Newscast"]

[FBIS Translated Text] Ecuadoran President Sixto Duran-Ballen this morning started a tour through Europe in search of German and Dutch credits and to look into the possibility of Pope John Paul II participating in the search for a peaceful and definite solution to the territorial problem with Peru.

Including the Vatican in the search for a solution to the dispute would complement, not replace, the work of Argentina, Brazil, Chile, and the United States, whose trustworthy efforts will permit a tension-free border.

These four countries are guarantors of both the cease-fire agreement in the undeclared war between Ecuador and Peru and of the Rio de Janeiro Protocol, a border treaty signed in January 1942 when the need for unity in America following the Japanese bombing of Pearl Harbor would not allow domestic disputes.

The protocol was signed following the Ecuadoran-Peruvian War of 1941 which Ecuador has charged resulted, among other consequences, in the loss of half of its territory, including its access to the Amazon River, despite its claim that Quito was the departing point of the expedition that discovered this fluvial link between the Atlantic and the Pacific regions.

The trustworthiness of the guarantors will become evident once it is admitted that the protocol does not apply to a border zone where boundary marks in the text of the treaty do not correspond with geographic facts, Sixto Duran-Ballen said.

This error in the protocol has led Ecuador to declare the document invalid and inapplicable. This official position was emphasized shortly before the latest armed conflict which lasted from 26 January to 28 February.

Duran-Ballen renounced the treaty's invalidity, acknowledged the treaty, and qualified the inapplicability claim to include only the Amazon border region without boundary marks, the site of the recent fighting, and of other wars between the two nations.

He said: Let us not waste time trying to find consensus with the other country. Let us work on the fact that the document, null or not, is in effect and that it has mechanisms for handling differences through consultations with the guarantor countries.

Duran-Ballen noted that the protocol is the only legal obligation, the only legal document the country has. He added: If it is geographically impossible to define the border, the document includes clauses that allow us to find a definite solution as long as the guarantors want to act as such and not as mere observers and as long as Peru is really committed to regional integration.

The implementation of the mechanisms to which Duran-Ballen alluded would put an end to the interpretation of the protocol Ecuador has wanted to project: It is not absolutely perfect, as Peru claims it is. Evidence of this imperfection is the undeclared war of this year and of 1981 as well as skirmishes, tension, and other intermittent incidents.

Duran-Ballen has said that during the meeting he will hold on 24 March with Pope John Paul II and Vatican officials, he will not present any specific position. He is going to talk and sound out the possibility of Vatican participation, including arbitration, mediation, and expert ruling on this matter to bring to a conclusion a problem between two mostly Catholic countries. The purpose of the meeting, he said, is to determine how and

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to what extent the Vatican can help us resolve our problems with the neighbor to the south.

On 30 September 1991, then Ecuadoran President Rodrigo Borja proposed at the United Nations arbitration by the pope, to which the Peruvian Government of Alberto Fujimori responded proposing a papal expert's report. All formulas must be presented jointly by the parties involved and for this reason the participation of the Vatican in all the border problems and in the latest conflict was limited. This became evident in the latest visit by Italian Cardinal Carlos Furno who, on behalf of John Paul II, hoped for a peaceful and negotiated solution to the conflict.

Jose Mario Ruiz, president of the Ecuadoran Episcopal Conference, is very optimistic and says Ecuador and Peru are noticeably in favor of more direct intervention by the Vatican.

Finance Minister Not To Resign

PA1503150595 Quito Voz de los Andes in Spanish 1700 GMT 14 Mar 95

[From "The Voz Andes Newscast"]

[FBIS Translated Text] Finance and Public Credit Minister Modesto Correa has reiterated he will not resign. He reported that he has met with President Sixto Duran-Ballen who confirmed him in his position. He said that there is total unity on the economic front. He also spoke about the possibility of extending the period for paying the 2 percent tax on vehicles.

[Begin recording] [Correa] Yesterday there were some some statements about the tax revenue being higher than expected by the IMF. What happened is that when the IMF received initial income reports, those reports did not include some custom revenues and other tax revenue. So the figures were not what we had agreed with the IMF.

Once all the figures were delivered [words indistinct] the president was not in Quito. I then told IMF officials here that all the figures were already in. These figures are much higher than those agreed on with the IMF.

[Unidentified reporter] There was an impasse. Are there differences of opinion?

[Correa] If we can describe as an impasse the giving of preliminary figures and then completing them with definite figures, then I did not create the impasse.

[Reporter] Have you spoken with the president?

[Correa] Yesterday I spoke with him and he stated his concern. I am on the side of the president. I want to be loyal to the president. In his cabinet there must be unity and cohesion.

[Reporter] What about the 2-percent tax?

[Correa] The law approved by Congress grants one month to all car owners, but the law was implemented less than 30 days after its approval. What we want is to grant more time, 30 working days, until 28 March, I believe.

[Reporter] [words indistinct]

[Correa] If Congress wants that to be until 30 March, I believe this will be the way because as we all know there are people who must find the money, others who will have to cut some spending. This is why 30 days are being granted. [end recording]

Minister Correa explained that he has not resigned, he remains in his post, the president trusts him, and the period for collecting the 2-percent tax on vehicles has been extended, probably until 28 March, perhaps until 30 March if Congress so decides.

Oil Workers Oppose Expansion of Pipeline

PA1503161395 Quito Voz de los Andes in Spanish 1700 GMT 14 Mar 95

[From "The Voz Andes Newscast"]

[FBIS Translated Text] Marcelo Roman, president of the National Federation of Petroecuador [Ecuadoran State Petroleum Enterprise] Workers, has insisted that the workers are opposed to the expansion of the oil pipeline inasmuch as they feel national interests will be affected. They feel the government's decision should not be implemented because it will harm national interests. The Petroecuador workers warned they will not allow the announced privatization of the Trans-Ecuadoran Oil Pipeline because it is not in line with national interests.

[Begin Roman recording] As is publicly known, we are strongly opposed to the expansion of the oil pipeline because this is not part of a strategy or policy for the oil industry. In fact, we have been wondering whether or not the national government does have a strategy or policy for the oil industry. [end recording]

The National Federation of Petroecuador Workers will meet 28-30 March to define its stand with regard to the privatization of the oil industry, which they describe as unpatriotic. The workers will adopt a definitive stand against the announced expansion of the Trans-Ecuadoran Oil Pipeline. Likewise, the workers are going to participate in a public debate on this issue with the energy and mines minister and several other government officials.

Even though the oil workers are opposed to the expansion of the Trans-Ecuadoran Oil Pipeline, the energy and mines minister has confirmed that the pipeline will be expanded. The government's decison to expand the Trans-Ecuadoran Oil Pipeline has caused debate, conflict, and division among various sectors of the country. Energy and Mines Minister Galo Abril advised that the

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oil pipeline will be expanded come what may and regardless of the cost, because the process is already under way.

[Begin Abril recording] Everything is under way. For some time now, we have been negotiating the terms of the financing contract. Once this is completed, we will be making the first disbursement in the following weeks. Nonetheless, we know that some enterprises are working on their own. [end recording]

Minister Galo Abril admitted that he is willing to go to the National Congress if it summons him on this issue.

[Begin Abril recording] If I have to stand political trial because I want to do something good, then so be it. I will go home, satisfied with a job well done. The things the country needs must be done. [end recording]

The national government reiterated that the expansion of the oil pipeline is a fact; come what may this will take place as the process is under way.

Paraguay

Wasmosy Raises Narcotics Issue in Copenhagen

PY1403222795 Asuncion ABC COLOR in Spanish 13 Mar 95 p 6

[By ABC special correspondent Jose Antonio Rubio]

[FBIS Translated Text] Paraguayan President Juan Carlos Wasmosy was the second speaker at the last session of the Social Development Summit in Copenhagen. In his speech Wasmosy addressed Paraguayan problems, and voiced his support for the UN decision to discuss issues like eradication of poverty, unemployment, and social integration.

The Paraguayan president emphasized that these three issues play a key role in the life of Latin American peoples, and create problems that should be resolved soon, so as to prevent unforeseeable consequences.

He said: "These three problems lead to others, like violence and crime, and pave the way for the drug trade and to the establishment of criminal organizations that greatly harm us."

Wasmosy added that a joint solution must be sought, because with the current trend toward globalization borders disappear and problems spread from one county into another, as is the case with the drug trade.

Wasmosy said that the Paraguayan Government is definitely worried about the drug problem, "because it is a scourge affecting all of humanity, which can only be fought following the principles of international cooperation and solidarity among all nations." He explained that there is something that cannot be denied: As long as there is consumption—which is unfortunately growing, mainly in the wealthy countries—there will be production and trafficking, which usually involves poor countries.

He stressed that this gives rise to extremely unfair situations, because many wealthy countries consume indiscriminately, and at the same time they try to coerce the producing or transit countries "without first offering the former the chance to opt for other crops, and without supplying the latter with the necessary economic aid to purchase equipment that is essential in preventing the passage of drugs."

It is obvious that this paragraph was aimed directly at the scarce U.S. aid for drug enforcement, and the blacklisting of Paraguay along with other countries that do not fight the drug trade hard enough.

The Paraguayan chief executive added that without the international cooperation of all the countries involved, be they consumers, producers, or transit countries, it will be impossible to eradicate large-scale consumption. "The drug trade goes hand in hand with crime and terrorism. If we want a peaceful world, where nations peacefully coexist with each other, let us jointly work to eradicate these evils instead of blaming the poor and the weak countries," he said.

Administration's Stand Outlined

PY1503162895 Asuncion NOTICIAS in Spanish 13 Mar 95 pp 8, 9

[By Celso Chavez, NOTICIAS special correspondent in Copenhagen]

[FBIS Translated Text] At the beginning of his speech to the UN-sponsored Social Development Summit in Copenhagen, Paraguayan President Juan Carlos Wasmosy said that the initiative to call a world summit to discuss key issues like social development deserved praise and support because it offered a chance to address basic problems such as poverty, unemployment, and social integration.

He stressed that these three problems have an impact on the lives of our peoples and must be resolved soon to prevent unforeseeable consequences for the entire world.

Wasmosy pointed out that never before have there been so many democratic administrations, nor have the flames of freedom spread so vigorously throughout the world. At the same time, the need to find solutions to social problems has never been as pressing as it is now.

Wasmosy voiced his support for the actions that must be carried out and went on to comment on aspects of social development which have to do with Paraguay. He explained that in Paraguay social development and the eradication of poverty will not be accomplished at the expense of human beings.

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He underscored that education and training will be key tools in this endeavor, and explained that without education and training, it will be difficult to resolve unemployment and discrimination problems, and pave the way for the people's social and economic development.

Wasmosy said that ever since he assumed office in 1993, his obsession has been to improve and broaden education by promoting not only elementary and secondary education, but also higher education, because it is the latter that allows people to take advantage of new technologies and to apply scientific developments in their country.

The Paraguayan president then outlined his administration's position with regard to the current economic and political debate on whether a country should grow first and distribute the wealth later, or whether policies that will facilitate fair distribution of a given country's wealth should be put in place first.

Wasmosy said that his administration is convinced poverty will be eradicated once better economic growth is achieved because "it will be possible then to better distribute wealth through the enforcement of social justice based on economic growth rather than on making more people poor."

According to the unofficial figures of the NGO's (nongovernmental organizations) in Copenhagen, Paraguay currently has 1 million people living below the poverty line, meaning that their income does not allow them to eat reasonably well and have access to basic services.

Wasmosy Backs Removal of 'Xavante' Planes

PY1503160395 Asuncion NOTICIAS in Spanish 14 Mar 95 p 2

[Article by special correspondent Celso Chavez]

[FBIS Translated Text] Romania—During a meeting with journalists and members of his delegation, the president of the Republic, Juan Carlos Wasmosy, disavowed a report published in Asuncion on friction between the Army and Air Force high commands.

Within this context, Wasmosy explained that the FAP [Paraguayan Air Force] planes were removed due to "the limited space" at the civilian Silvio Pettirossi airport terminal.

Wasmosy noted that since companies like ARPA [Paraguayan Airlines] and LADESA [Lineas Aereas Del Este S.A.—Eastern Airlines Inc.] began operations, the parking space and hangar areas for private planes at the Luque airport have become more scarce.

The president noted: "Beside, these Air Force planes were stationed at a civilian airport."

Wasmosy emphasized that there was nothing to the removal of the planes from Asuncion, adding that the Air Force commander was visiting Ayolas last week, checking for a possible location for an Air Force base, when the unfortunate accident occurred in which his son was killed.

As everyone knows, last week there were mounting reports of friction between Army Commander Lino Cesar Oviedo and FAP Commander Cesar Cramer.

Government Favors Ruggiero for WTO Secretary General

PY1603121195 Asuncion NOTICIAS in Spanish 14 Mar 95 p 21

[FBIS Translated Excerpt] The Paraguayan Foreign Ministry has said Paraguay has promised to vote for Renato Ruggiero, the EU candidate to be the first secretary general of the World Trade Organization (WTO), which replaced the GATT as of 1 January 1995.

Initially Paraguay had promised to vote for former Mexican President Carlos Salinas de Gortari, who has turned down the nomination for domestic political reasons. [passage omitted]

Institutionalist Colorado Movement Officially Launched

PY1603120395 Asuncion ABC COLOR in Spanish 26 Feb 95 p 4

[Article by special correspondents Jose Cardozo, Nestor Soto (junior), Nivaldo Aguilera, and Vicenta Risso]

[FBIS Translated Text] A meeting was held on 25 February at the house of Villa Hayes Governor Octavio Gomez. About 200 "militant, combatant, Stroessnerist" leaders discussed the reinstatement of the Colorado Party-Government-Armed Forces trilogy that supported [former dictator] Alfredo Stroessner for 35 years.

To the sound of polkas composed for the former dictator and amid hurrahs for the former president and "fellow party members in the Armed Forces," the Institutionalist Colorado Party (MIC) was officially launched on 25 February. The Stroessnerists are thus returning to our domestic political life through this movement.

Notorious figures of the Stroessner era, like Ramon Aquino, the memorable student "moderator;" Silvio Meza Britez; Cesar Palacios; and Miguelito Napout; among others, were present. Other militant movement members who currently hold important public posts and congressional seats, like Merchant Fleet Director Edgardo Villalba, Itapua Governor Juan Lorenzo Ramirez, and ruling-party Deputies Eugenio Paniagua, Constantino Mencia, and Bruno Reverchon, were also present.

MIC coordinator Cesar Palacios said one of the objectives of the meeting was to prove that the militant movement is supported by the Colorado Party rank-and-file and is therefore in a position to negotiate a power quota with the National Republican Association leadership.

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Militant Movement leader Ramon Enrique Reverchon said Militant Movement members have been harassed by fellow party members who have put a cross on their shoulders since 1989. He said bygone resentments must end for the sake of total unity within the Colorado Party.

Nicasio Ortellado, a former president of the Colorado Party Precinct No. 8, went further. He said the [2 February 1989] coup ruined the party and stated that there are "no corrupt militants." To prove his Stroessnerist stance remains unchanged, Ortellado said that thanks to the dictator our country "advanced 100 years in barely 30 years."

The former members of the quaternion [which comprised former Justice Minister J. Eugenio Jacquet, former Interior Minister Sabino Augusto Montanaro, former Health Minister Adan Godoy Jimenez, and former Private Presidential Secretary Mario Abdo Benitez] were not present on this occasion, but, listening to the speakers, it could be said they were there in spirit.

A group of PLRA [Authentic Radical Liberal Party] and National Encounter leaders gathered outside the house of Villa Hayes Governor Octavio Gomez, waving placards repudiating the militants and shouting slogans against the Stroessnerists. The demonstration was peaceful until a party precinct member left the governor's house and challenged the demonstrators.

Peru

Deputy Minister: Reports of Skirmishes 'Untrue'

PY1503164495 Madrid EFE in Spanish 0257 GMT 15 Mar 95

[FBIS Translated Text] Lima, 14 Mar (EFE)—Peruvian Deputy Foreign Minister Eduardo Ponce said on 14 March that reports of a supposed incursion of Ecuadoran troops in Tihuinza, killing three Peruvian soldiers and injuring two, are untrue.

He told the ANDINA News Agency that when he learned on Monday night about the presumed skirmish, he went to the "direct source of the Armed Forces," which "confirmed the reports are untrue."

Several newspapers carry unofficial military and medical sources saying that the Ecuadoran attack took place on Saturday, 11 March.

The sources said two soldiers were killed by gunfire and a third was killed by a grenade during an Ecuadoran incursion to retrieve positions, taking advantage of the Peruvian forces' withdrawal under the terms of the Itamaraty Peace Declaration of 17 February 1995.

Military observers from the guarantor countries of the Rio de Janeiro Protocol (Argentina, Brazil, Chile, and the United States), who are in the border zone between Peru and Ecuador, reported today that they "have heard nothing" about a skirmish.

Government Attitude After 'Victory' Criticized

95SM0234A (Internet) FOREIGN MINISTRY GOPHER in Spanish 7 Mar 95

[Commentary from Quito LA HORA 3 Mar 95 4-A: "The Border War Is Not About the Border"]

[Text] The war of the upper Cenepa has revealed strange paradoxes. The mobilization of the people—from volunteering to contributing food from their tables—has not been an obstacle to masses for peace and fraternal acts between popular organizations of both countries. The war did not entail any animosity toward the Peruvian people. On the contrary, recognition of our common identity has been constant, and its best examples are the apologies that the Shuar have sent to their Aguaruna brothers in Peru. At the same time, the conflict has not weakened the desire for Latin American integration: the greatest support for the soldiers came from the people on the border, who are asking for renewal of trade between the two countries. Finally—one of the greatest paradoxes—massive support for the war was, at the same time, a majority vote for closing the border.

These paradoxes have a single explanation: the mobilization did not have as its basic motive the border problem. In the everyday life of the people, the war of the upper Cenepa was not only over the Cenepa. It was a war for Ecuador.

Of course, in the first place, there was the natural solidarity of people for the lives of their own, which in Ecuador, especially among peasants and the urban poor, takes the form of extreme generosity. Also, of course, to close that old open wound of humiliation and defeat, this war has been a gigantic instance of "self-esteem therapy," from which a vigorous and self-assured people has emerged.

Undoubtedly, this is not the "Trojan War" that brought ascendancy to the Greek people. But it did bring into play all of the country's strengths, and brought out the real Ecuador. The Indians, the Amazonian tribes in particular; the peasants and the city poor; the workers, especially in the public sector; and nationalist military officers are all the winners of this war, this war for Ecuador. In that mobilization, there is contained in a nutshell a government program that social life in the depths has brought to the surface: the plurinational character, the national sovereignty of strategic resources, the creation of an "Ecuador Doctrine."

The right—inside and outside the government—understands that this war was fought for Ecuador. This is why they fear it. And they have gone on the counterattack. First, the people were demobilized and were prevented from celebrating the victory. Then, they tried to create their own theme: more work. The 48-hour work week is not a practical platform, but a very clever propagandistic trick. For a long time, the work week of the average Ecuadorian has been from 60 to 70 hours,

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including blue-collar and salaried workers who supplement their basic income with outside work. Furthermore, faced with the danger that the theme would be the sovereign and plurinational state, it was necessary to publicize a different one.

The third phase of this counterattack consists of limiting the war to the basic problem—important in itself—but whose resolution will be long and difficult. And to free internal politics from the mandate of the war, from the mandate of the forces that fought and won it.

Thus, the Conam [National Council for Modernization], desperate, unleashed an intensive campaign insisting on privatization. Secretly, the government tried to pass legislation for the expansion of the oil pipeline. And the Social Christian majority approved the creation of a fund with the "proceeds from privatization"—all against the participants in the war, supporters of the sovereignty of strategic resources. And it was two retired military officers who denounced the oil pipeline affair.

If war is the continuation of politics by other means, the war that was waged for Ecuador returned to its natural scenario. Politics must be waged and won on their own grounds.

Government Reminded of Duty Toward People

95SM0234B (Internet) FOREIGN MINISTRY GOPHER in Spanish 7 Mar 95

[Commentary by Francisco Borja Cevallos from Quito HOY 3 Mar 95: "In the Same Boat"]

[Text] Among the benefits of the armed conflict with Peru—it has been repeated insistently—is the recovery of national pride, self esteem, and faith that we can and we will, beginning with the heroic defense of our border, strengthen our country, and begin to build a different future. But there is another effect that is in a sense related to the previous one: the solidarity and pride will never be erased from our historical memory. No one will ever take away from us what we have accomplished. The victory at Tiwintza will pass into history as the most important war anniversary in our history as a free and sovereign country. But the marvelous solidarity that we breathe could disappear with the first strong reaction to the crisis, if we do not make the necessary effort to ensure that it becomes part of our national life. And if this noble human sentiment formed part of our national cohesion—whether as cause or effect, I do not know—it must be maintained as a way of facing the challenge of economic recovery and the return to normality.

Of course, it is up to the government to set the example in this field, as its behavior as legitimately constituted authority sets patterns for behavior among the people. And because the president possesses various instruments to impose behavior, he should not give in to the temptation to exploit his renewed popularity for questionable purposes. Rumors are circulating about government insistence on a project that has attracted serious criticism—the famous expansion of the oil pipeline, with disproportionate benefits to be provided to the contractors. It does not seem fair that, in the midst of this patriotic euphoria, the government should try to put one over on the country in this way. Of course, neither is it necessary that the government, in the interest of unity, cease to fulfill its responsibilities and abandon its ideological principles and its programs; but a further pause for reflection would appear prudent in order to study the reasons why important sectors have questioned certain privatizing maneuvers that seem not to be conducted with the necessary transparency. Let it not transpire that a few sly customers, benefitting from secrecy and confusion, enrich themselves at the cost of the brave sacrifice of others, thereby shattering our unity and solidarity. Be very careful, Mr. President: Any unfair advantage could cost you dearly. Exploiting national unity for illicit purposes could reverse the situation, and your image would return to what it was before the war.

What the country needs in order to emerge from the economic crisis to which the war has brought us is a chain of solidarities. The solidarity of the government with citizens. Solidarity of the state's functions among themselves, and among politicians. Solidarity of the banking system with businessmen, so that it does not squeeze them too much, but facilitates payments on loans, now that nobody is selling anything. The solidarity of businessmen with their customers, with whom they should try to share the hardships of the crisis. Solidarity of the government with the various sectors of society, with regard to new taxes. More direct taxes and fewer indirect taxes could be a theme for solidarity. Finally, the atmosphere of understanding and tolerance that one senses must be preserved, because the days ahead will not be easy. Businesses are going to have problems.

Many of them will not survive, and others will barely make it through. The government has an obligation to maintain stability, not only stability for the banking system—which is important—but stability for everyone. The hand that the government extends to the banking community should be repaid in service, in fair methods of sharing unexpected financial costs. There is an interrelationship between economic agencies that must be recognized as the function of a healthy balance in which the benefits are distributed, because it is now more obvious than ever before that we are all in the same boat.

Some 3,000 Observers To Supervise Elections

PY1603133895 Madrid EFE in Spanish 0710 GMT 15 Mar 95

[FBIS Translated Text] Lima, 15 Mar (EFE)—Almost 3,000 observers will supervise the general elections in Peru on 9 April. This information was disclosed today by the civil association "Transparencia" [Clearness].

During these elections, more than 12 million Peruvians will elect a new president and renew the current unicameral Congress with 120 representatives.

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Alberto Giesecke, seismologist and vice president of "Transparencia," explained that this organization so far has trained some 2,500 volunteers to act as observers during the elections.

In addition, there will be 70 OAS delegates who will fulfill the same role, so that the elections can proceed normally at some 5,000 balloting stations established for this purpose.

The two groups of observers have been officially recognized by the Peruvian National Election Board (JNE), which has granted them credentials and has promised to give them all the necessary support to fulfill their mission.

Giesecke disclosed that the OAS and "Transparencia" envoys have also decided to exchange information and coordinate some common activities the two organizations will carry out.

"Transparencia" official Rafael Roncagliolo stated that some developments that "cause his organization to worry" have taken place during the process, such as the lengthy hiatus in the electoral campaign caused by the war with Ecuador and the change in the rules in the midst of the campaign."

According to Roncagliolo, the concern created by these "and other" events has been compensated, however, by the "initiatives taken by the JNE, which lead us to believe that the basic conditions for the elections are guaranteed."

Pepi Patron, "Transparencia" director, said that these conditions are "the overall confidence in the JNE's autonomy and integrity, the strengthening of the role played by the civilians within the JNE, and the initiatives taken to cover the existing legal vacuums."

Federico Velarde, also a director of the same organization, disclosed that the observers' task will demand an expenditure of approximately $395,000, to be financed by various German, Canadian, U.S., and British organizations.

The "National Democratic Institute" (NDI), "International Foundation for Electoral Systems" (IFES), "International Republican Institute" (IRI), and the "National Endowment for Democracy" (NED) are the U.S. organizations that endorse "Transparencia."

NDI representative Katie Gad[illegible] has stated that the 9 April elections "will be transcendental because for the first time the Peruvians themselves will supervise the clearness of the elections and will thus set solid grounds for the development of democracy in Peru."

Since it was created, one year ago, "Transparencia" has observed the preelectoral process and will then draft three reports on the elections, according to Roncagliolo.

The first report will deal with the installation of the balloting tables, "to verify that it is done in compliance with the law"; the second on the results of the presidential elections, which will be disclosed a few hours later; and the third on the results of the elections for Congress members, scheduled to be disclosed one or two days later.

These results will be the result of the vote tally to be carried out by their own teams, which will receive information sent by the network of observers posted at the 47 provincial election boards.

"We hope to exchange our information with that handled by the OAS mission, to be able to compare and verify it," asserted Velarde, after noting that the OAS and "Transparencia" observers have held three coordination meetings.

The Peruvian observers' main concern lies in the fact that the voters are not acquainted with the balloting slip they will use on election day; it was modified two months ago by Congress.

Previously, the ballot slip only had the symbols of the parties participating in the process. Photographs of the presidential candidates have been added to it now, and this seems to have caused confusion.

In a mock election held last week by the private enterprise Datum, 55 percent of the ballot slips for the congressional election and 17 percent of those for the presidency were null.

Giesecke said this fact is "worrisome," but "there still is time to teach the people how to use it, through as many sectors of the media as possible."

National Election Board Guidelines

PY1503200095 Lima EL PERUANO (LEGAL SUPPLEMENT) in Spanish 1 Mar 95 pp 130266-130273

[FBIS Translated Text] GUIDELINES FOR BALLOTING TABLE OFFICIALS FOR THE GENERAL ELECTIONS OF 1995

RESOLUTION No. 128-95-JNE [National Election Board]

Lima, 28 February 1995

WHEREAS,

It is necessary to authorize the publication and dissemination, in an official document, of the "Guidelines for Balloting Table Officials," which provides information and orientation for the installation of balloting tables, for facilitating the voting process, and for obtaining the results in the general elections of 9 April 1995,

The National Election Board, by virtue of its powers, functions, and rights,

Hereby decides:

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Single Article—The official publication and dissemination of the "Guidelines for Balloting Table Officials" for the General Elections of 9 April 1995, which are included in this Resolution, are hereby authorized.

It is so ordered.

[signed] His Honor Nugent; Catacora Gonzales; Munoz Arce; Hernandez Canelo; Rey Terry

NATIONAL ELECTION BOARD
GUIDELINES FOR BALLOTING TABLE OFFICIALS
GENERAL ELECTIONS
1995
NATIONAL ELECTION BOARD
PRESIDENT:
Ricardo Nugent
FULL MEMBERS
Manuel Catacora Gonzales
Walter Hernandez Canelo
Romulo Munoz Arce
Guillermo Rey Terry

DEAR CITIZENS:

On 9 April 1995, we Peruvians will attend the most important democratic event for our country, during which we will elect the president, the vice president, and congressmen.

On this occasion you will participate as a balloting table official, and will be properly trained to successfully fulfill this mission. Through these guidelines, we are conveying to you the information and orientation for installing a balloting table, for facilitating the voting process, and for obtaining the results.

If you are a representative, these guidelines will also help you fulfill your mission.

You will also find a list of materials to be used in the elections, along with precise orientation for resolving special cases. Go over them, because they will help you clear up doubts and resolve unforeseen situations.

We recommend that you carefully read these guidelines and take them with you on the day of the elections.

Remember that being a balloting table official is a citizen's duty, calling for great responsibility, thoughtfulness, and uprightness. The continuity and strengthening of the democratic life of our country is in your hands.

[signed] Ricardo Nugent
President of the National Election Board
Manuel Catacora Gonzales
Full member
Romulo Munoz Arce
Full member
Walter Hernandez Canelo
Full member
Guillermo Rey Terry
Full member

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1. What does it mean to be a member of the balloting table?

The credentials you have received identify you as a member of the balloting table. This means that you and two other citizens are responsible for the electoral process at the said table. In other words, you are the highest electoral authority at the table of which you are a member, and it is up to you to decide everything related to the voting process that is taking place there.

The table has the same Electoral Registry numbering that is printed on your Voter Registration Card.

There will be balloting tables in all districts, no matter the number of voters registered. There will be balloting tables even if the number of citizens registered in the Voters List of a voting district totals less than two hundred (200).

Therefore, three (3) balloting table full members will be elected by having their names drawn. Similarly, three (3) alternate members will be elected to replace the full members if this proves necessary. Check your credentials to learn whether you are a full member or an alternate member.

The credentials also indicate the order in which you appear as balloting table member.

In other words, it indicates whether you are the first, second, or third member of the balloting table. These details are very important at the moment of installing the balloting table, as you will see further on.

If there is a runoff to elect the president and vice presidents of the Republic, you will participate in it in the same position you had in the first round of elections, because no new balloting table members will be elected for the runoff.

A balloting table is always comprised of three (3) members.

Let us see now the positions to be occupied by the members of a balloting table:

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First balloting table member: president
Second balloting table member: secretary
Third balloting table member: table member

During the electoral process, each person has tasks and functions that will be explained at the appropriate moment. You must know that you will act independently and autonomously within the framework of the law. You are not forced to obey orders that prevent you from complying with the requirements of your function.

Members of the Armed Forces or the National Police will be present only to grant security and look after public order, thus ensuring the normal development of the electoral process. It is the obligation of these authorities to support your work and make it easier, as well as to guarantee the freedom of the electoral process.

As a balloting table member, you cannot be arrested for the period that begins twenty-four (24) hours before and ends twenty-four (24) hours after the elections, unless you clearly commit a crime. This rule also applies to the poll watchers.

You cannot resign your position as a member of the balloting table, unless:

A. You are noticeably or seriously physically impaired.
B. You must leave national territory.
C. You are older than 70.
D. You have any of the following problems:

The following are not eligible to be appointed balloting table officials:

A. Candidates and poll watchers.
B. Members, officials, and employees of the electoral boards and of the National Electoral Registry Office.
C. Political officials (prefects, deputy prefects, governors, lieutenant governors) and city hall members (mayors and city council members.)
D. Members of political party boards, independent political groups, or alliances registered in the JNE.
E. Voters who are temporarily absent from the country and who are included in the list drafted by the National Electoral Registry Office.
F. Blood relatives to the second degree (parents, sons, or brothers) or affinity (spouses, in-laws) of officials of the same balloting table.

Armed Forces and Peruvian National Police [PNP] members cannot be balloting table officials under any circumstances, because they are not included in the Voters List and are not entitled to vote.

If any of the above mentioned situations impair you from being a balloting table official, you must justify it in a certified affidavit before the Provincial Electoral Board [JPE] president. You may submit this affidavit up to five (5) days after the results of the draft for the formation of balloting tables are published.

If you do not fit any of the aforementioned cases you are an eligible balloting table member, and should report on the day of the elections at the established date and time.

The JNE will issue you a certificate in recognition of your patriotic contribution to the electoral process.

Balloting table officials who do not pick up their credentials or do not report to the balloting table are not fulfilling their duty to the fatherland, and will be subject to a fine.

2. How do you participate in the electoral process?

As a balloting table official you will be taking part in two important events in the elections process: voting (the act of voting) and vote counting (vote scrutiny).

The following is a sequence of actions to be carried out during the elections:

1. Installing the balloting table.
2. Voting process.
3. End of voting process.
4. Vote counting and registration of results.
5. Delivery of results.

In the following pages we will explain what these actions consist of.

Poll watchers may be present throughout the elections process, but they are not balloting table officials. It is important that you be aware of the poll watchers' duties and regulations.

Poll watchers must be accredited with the proper credentials.

There cannot be two or more poll watchers from the same political party or group, or independent political group or alliance, at the same balloting table, under any circumstances.

Furthermore, the presence of a poll watcher from a political alliance at a balloting table precludes the presence at the same balloting table of poll watchers from any of the political parties or groups that make up that alliance.

There will be no poll watchers for individual candidates.

Whenever a poll watcher must leave the balloting table or is excluded from the balloting table through the unanimous decision of balloting table officials, he may be replaced by another poll watcher of the same political organization, whenever the latter can certify his condition by presenting the proper credentials.

Let us review the poll watchers' powers:

Poll Watcher Powers

A. Observe the preparation and installation of voting booths.
B. Sign the form for the installation of balloting table officials.
C. Sign the reverse of all ballot slips.
D. Make sure that voters enter voting booths alone, without staying inside longer than one (1) minute, except for the blind, who will be accompanied by persons they trust.
E. Make observations or claims during the voting.
F. Observe the reading of ballots.

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G. Examine the contents of the ballots that were read.
H. Object to ballots before the table.
I. Sign the Voting Record and the Voters List.
J. Obtain a copy of the Electoral Record with the results of the scrutiny.

In your capacity as polling table officials, you may, through a unanimous decision, remove any poll watcher who fails to comply with the above regulations.

Poll watchers may not:

A. Interrogate voters about their preferred political party, independent group, alliance, or candidates.
B. Talk with voters inside the polling station.
C. Engage in a discussion with voters during the voting process.
D. Engage in a discussion with the other poll watchers during the voting process.
E. Engage in a discussion with the candidates during the voting process.
F. Engage in a discussion with table officials.
G. Provoke disorder.
H. Accompany voters to the voting booth.
I. Hinder the voting process.

3. How is the balloting table installed?

In your capacity as either a full or alternate official of a balloting table, you should report to the place at which the table will operate at seven-thirty (0730) on the morning on the day of the elections.

Your first task will be to install balloting table officials as soon as possible, so that the table can start operating at eight o'clock (0800) in the morning. No balloting table may be installed after one o'clock (0100) in the afternoon.

Each balloting table shall operate with its three (3) officials. Officials will fulfill the duties of president, secretary, and third member, respecting the order in which their names were drawn.

If an official is absent, he will be replaced by an alternate official, respecting also the order in which their names were drawn. Several cases may occur, which are described below:

A. When a full member is absent:

FIRST CASE—If the president is absent, the secretary will take over the presidency, the third member will assume the secretariat, and an alternate member will complete the table.

SECOND CASE—If the secretary is absent, the president will remain in his post, the third member will assume the secretariat, and an alternate member will complete the table.

THIRD CASE—If the third member is absent, the president will remain in his post, the secretary will remain in his post, and an alternate member will complete the table.

B. When two or more full members are absent:

FIRST CASE—If two (2) full members are absent, the other full member will become president, an alternate member will become secretary, and another alternate member will complete the table.

SECOND CASE—If the three (3) full members are absent, an alternate member will become president, another alternate member will become secretary, and the third alternate member will complete the table.

THIRD CASE—If the balloting table cannot be completed with the full and alternate members, the full member who is present will become president, the alternate member who is present will become secretary, and the table's third member will be appointed by the president among the voters present.

FOURTH CASE—If only one full member or alternate member is present, the full or alternate member will become president, and the president will appoint one of the voters present secretary, and another the third balloting table member.

FIFTH CASE—If none of the full or alternate members is present, the president of the balloting table with the number preceding that of the table without full or alternate members, or in his absence the president of the balloting table with the number following that of the table in difficulty, will appoint the president, secretary, and balloting table member for the aforementioned table among the voters who are present.

Once the table has been completed, the president will receive the voting materials. These materials will be handed over to him by the District Electoral Office Authority or his representative. Later on, the president must:

1. Receive the poll watchers' credentials.
2. Examine the electoral material.
3. Fill out the Installation Record form.

Let us now analyze what each of these actions consists of:
1. The president will receive two (2) copies of each poll watcher's credentials. He will immediately return one to the poll watcher, and only return the other copy when the vote counting process is finished.

It may occur that the poll watcher:

- Does not have a voter's registration, or
- His credentials have not been signed by the national or provincial poll watcher.

These two cases raise questions about the poll watcher's legal capacity. The president, however, will accept the credentials, and the poll watcher will fulfill his duties until the end of the voting process.

In either of these two cases, the credentials will not be returned to the poll watcher, but will be placed in the ballot box after the president writes down on them his reasons for doing so.

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2. The president will examine the electoral material, which will consist of the following electoral documents and elements:

CODE	DESCRIPTION ENVELOPES	NO. PER TABLE	OBSERVATIONS
S-3	Envelope containing the list of voters for the balloting table	1	blue envelope
S-5	Envelope in which the Electoral Record will be remitted to the JPE	1	red envelope
	Envelope in which the Electoral Record placed in the ballot box will be remitted to the JPE	1	yellow envelope
S-6	Envelope in which the Electoral Record will be remitted to the JNE	1	green envelope
4	Envelope for objections as to the identity of voters	5	white envelope with green letters
7	Envelope for objections to national identity card or vote	10	white envelope with red letters
FORMS			
	Ballot slips	210	
3A	Electoral Record	11	
10A	Draft form for presidential vote scrutiny	1	
10C	Draft form for scrutiny of optional vote for congressmen	1	
5	Receipt for retained voter registration cards	10	
6	Comments or claims on the vote counting process	10	
12	Receipt for remittance of Electoral Record and ballot box to the JPE	2	
13	Receipt for remitting Electoral Record to the JNE	2	
BOOK OF INSTRUCTIONS ON CIVIC RIGHTS			
31	Guidelines for Balloting Table Officials	1	for use by balloting table officials and poll watchers
POSTERS			
30	Voters' guidelines	1	
32	Secret vote and freedom to vote	1	
35	List of presidential candidates	1	
36	List of candidates for Congress	1	
ELECTORAL MATERIALS			
	Voting stamp	1	with balloting table number
	Ink pad	2	
	Pens	6	black ink
	Ballot box	1	cardboard
	Indelible ink	2	dark blue
	JNE glue pad	210	to seal ballots
	JNE packing tape	1	to put up posters and seal ballot box
	Kraft paper	1	half sheet: to wrap ballot box and materials
	Plastic Bag	1	to protect ballot box

The materials to be used during the elections must be checked to make sure they are complete.

If the Voters List, the ballots, or the voting seal are missing, the president of the balloting table will request these materials from the local Electoral Registry officer, who will deliver the missing materials. The president of the balloting table will sign the appropriate receipt.

This situation must be registered on the form for the installation of balloting table officials.

Another container may be used if for any reason the ballot box cannot be used, as long as there is no breach of security or vote secrecy.

This should also be detailed in the form for the installation of balloting table officials.

A solution must be sought if any other material is missing or in bad condition, and should be so specified on the form for the installation of balloting table officials.

3. After the materials to be used in the elections are verified, the balloting table officials should proceed to fill out the form for the installation of balloting table officials, which must be signed by the president of the balloting table, the balloting table officials, and the poll watchers who wish to do so.

4. How do you begin the voting process?

After signing the Installation Record, the table members must do the following:

Locate in a visible place the posters containing the rules concerning the secrecy and freedom of the voting process (form 32), electoral crimes and penalties, and the Voters List.

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Prepare a closed site for the voting booth, making sure that it complies with the absolute secrecy required to allow the voter to exercise his voting rights. Inside the voting booth, there will be no electoral propaganda, only posters containing the lists of candidates for the presidency, the vice presidency, and congressional seats (forms 35 and 36).

Once the voting booth is prepared, the president of the balloting table will sign, in the presence of the other members of the table, all the ballot slips on the outside. After that, the ballot slips will be folded, one by one, according to the dotted lines printed on them. The ballot slips will be unfolded before being handed to each voter.

As you can see, the ballot slip is made up of two sections.

In the first (pink) section, the voters will choose the president and vice presidents of the Republic. This section can be recognized by the name and symbol identifying the political parties and independent groups or alliances, as well as the photograph of the candidate for the presidency of the Republic.

In the second (blue) section, the voters will vote for congressmen. Printed in this section are the names and symbols of the political parties, independent groups, or alliances. In addition, it has two blank boxes in which the voter can write down numbers corresponding to the candidates of his preference (optional vote).

Now that we know how the ballot slip is put together, we can see what the procedure for voting is and what to do in special cases.

In fact, once the balloting table has been set up, its members should be the first to vote.

In What Order?

First: president of the table
Second: secretary
Third: third member
Fourth: voters who are assigned to vote at this specific table

Let us look at the procedures for voting:

1. The voter will give his name to the president of the table and hand him his voter's registration card. The president will identify him by his photograph and the other data contained on his voter's card (Voters' List number and level of education). The president will also check that the voter's fingers are not impregnated with indelible ink.

2. The president of the table will look for the voter's name and the number of his voter's card in the Voters List.

3. Once the voter's identity has been checked, the president of the table will hand the voter a ballot slip, a pen, and a JNE stamp with glue.

4. The voter will enter the voting booth to cast his vote, but cannot remain inside the voting booth for over one (1) minute.

5. Once he has voted, the voter himself will fold the ballot slip on the dotted lines and will glue the JNE stamp onto it.

He will then go back to the balloting table and cast the ballot slip in the ballot box.

6. Once the ballot slip has been cast in the ballot box, the voter will put his signature next to his name on the Voters List and then put his fingerprint on the right side of his signature.

7. He will then put the middle finger of his right, or if necessary left hand in the special stand of indelible ink.

8. Last, the president will return to the voter his voter's card—stamped and signed—thus showing that he has already voted.

5. What sort of situations can arise during the voting process?

SUDDEN SICKNESS OF A BALLOTING TABLE OFFICIAL

If the president is affected, he will be replaced by the secretary.

If the secretary is affected, he will be replaced by the third balloting table member.

In order to complete the balloting table, whoever assumes the presidency will order the inclusion of an alternate member. If alternate members are not available, the president will complete the table with a voter present whose name appears on the Voters List.

Problems can arise concerning the pictures, numbers, and names on voter's cards, etc. To take the appropriate steps, see Annex 1.

If any poll watcher objects to the identification of a voter, the balloting table members will immediately resolve the objection, declaring it either grounded or groundless. Whatever the decision, the voter will cast his vote. For further information, see Annex 2.

OTHER SITUATIONS CONCERNING VOTERS

Failure To Bring the Voter's Registration Card:

Voters who do not have their voter's registration card MAY NOT VOTE. Photocopies, even if authenticated, or any other document are not valid.

Failure To Have a Certificate of Having Voted in the Previous Elections:

If a person's voter's registration card does not bear a certification that he voted in the previous elections, he can cast his vote, provided his name appears on the Voters List.

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Illiterate or Blind Voters:

Instead of signing, illiterate voters will put their fingerprints on the Voters List.

Blind voters may be taken to the voting booth by a person that they trust.

INTERRUPTIONS IN THE VOTING

In case of interruptions caused by human (demonstrations, takeover of the site, attacks, etc.) or natural (earthquakes, torrential rains, etc.) action, the situation will be recorded in the Electoral Record, and the voting will be declared over, unless the interruption is temporary and permits continuation of the voting without influencing the results.

OBSERVATIONS ON THE BALLOT

No balloting table member or poll watcher can make observations on a ballot.

Voters are forbidden to:
1. Carry weapons.
2. Carry flags, banners, or any other sign alluding to a candidate, independent group, or alliance.
3. Be under the influence of alcohol or any drug.
4. Create a disturbance at the voting station.
5. Prevent other people from voting through threats or violence.
6. Induce another voter not to vote or to vote for a certain candidate.
7. Announce in public his vote during the elections.
8. Carry out electoral propaganda.

6. When does the voting period end?

The balloting table president will declare the voting finished:

Before 1500 if everyone on the Voters List has already voted. Such a situation must be specified in the Voting Record.

At 1500.

The balloting table president will declare the voting finished, and then:

1. He will write on the Voters List, beside the names of those who did not vote, the phrase: "DID NOT VOTE," and will write his signature at the bottom of the Voters List. He will ask the poll watchers to also sign if they want to.

2. He will fill in the Voting Record, specifying the following:

- number of voters,
- number of unused ballots,
- events that took place during the voting,
- objections made by the balloting table members and poll watchers.

Events that take place during the voting that are not specified in the Voting Record cannot be admitted in the Scrutiny Record.

3. Finally, the members of the balloting table will sign the Voting Record. The poll watchers can also sign it if they want to.

7. How are the votes counted?

Once the Voting Record is signed, the votes must be counted. This action is called the scrutiny, and will be carried out at the same place, at the table, in public, and without interruptions.

Let us examine the exact steps that must be followed:

1. The balloting table president will open the ballot box and empty its contents. Afterwards he must verify whether the number of ballots, including those objected to, are in keeping with the number of voters listed in the Voting Record.

If he agrees with the figures, he must separate the envelopes stating "OBJECTED TO BECAUSE OF..." to send them to the corresponding Provincial Electoral Court, without including them in the scrutiny.

CASES THAT MAY TURN UP

A. When there are more ballots than voters.

The balloting table president will separate at random a number of ballots equal to that of the excess amount. For example, if he finds 100 ballots and only 95 people voted, 5 ballots must be separated, without looking at their contents.

Once separated, these excess ballot will be immediately destroyed in front of the rest of the balloting table members.

B. When the number of ballots is less than the number of voters.

The scrutiny procedure described in this guide must be continued without annulling the vote.

2. Before opening a ballot, the outside of it must be examined to verify that no sign has been written there allowing identification of the voter. If there is something written there, the president of the balloting table will erase it and shuffle it in with the rest of the ballots in order to scrutinize them.

3. The balloting table president will open the ballots one by one, and read out loud their contents. He must immediately pass the ballots to the other members of the balloting tables, who in turn, one by one, must read out loud their contents and show them to the poll watchers.

As a member of the balloting table you cannot forbid the poll watchers from examining the contents of a ballot that has been read.

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Otherwise the poll watcher can raise charges before the Provincial Prosecutor's Office.

Poll watchers who abuse this right, write anything on the ballot, destroy them either partially or totally, or hinder or attempt to frustrate the scrutiny can also be accused by the president of the balloting table before the Provincial Prosecutor's Office.

4. While the contents of the ballots are read out, two members of the balloting table will write down the votes that are read out on the chart provided for the scrutiny.

5. Once the ballots have been read and the votes written down, the president of the balloting table must separate the ballots on the dotted lines.

6. He will then place them separately, putting on one side the votes for president and vice presidents of the Republic, and on another side the votes for congressmen. He will also separate the null and blank votes in order to count the votes and carry out the necessary verifications before signing the Scrutiny Record.

7. The following step involves establishing the number of valid votes. This is done by subtracting the number of null and blank votes from the total of counted votes.

In order to carry out this task, all the balloting table members must know:

- when a vote is valid,
- in what cases votes are considered blank,
- when a ballot or vote is null,
- who the ballots and votes must be contested, and
- how the poll watchers must make their observations.

We will now discuss each of these cases in order to learn how to proceed appropriately.

A VOTE IS VALID:

A. For the section of candidates for president and vice presidents: When the voter marks an x-shaped figure or cross (+) in the check box having the picture of the candidate for the presidency of the Republic or on the symbol of the political party, independent group, or alliance, or on both the picture and symbol (pink section of the ballot).

B. For the section of candidates for Congress: When the voter marks an x-shaped figure or a cross (+) in the check box having the symbol of the political party, independent group, or alliance.(blue section of the ballot)

The vote is thus valid when the lines forming the x-shaped figure or cross are marked in the check box. The vote is not invalidated when one of the lines or the two lines overlap the check box or invade another picture or symbol.

The optional vote for congressmen is a voter's right, and is valid when after marking an x-shaped figure or cross on the symbol of the political party, independent group, or alliance, the voter writes in the empty check boxes one or two numbers corresponding to the candidates of the voter's preference.

It should be known that the optional vote is a choice, and is not mandatory. Therefore, if a voter does not use the optional vote or the vote is wrongly made, the vote correctly made on the symbol that represents the political party, independent group, or alliance will not be invalidated.

IT IS CONSIDERED A BLANK VOTE...

A. When there is no x-shaped figure or cross (+) in either of the two sections of the ballot on the picture or symbol intended for the vote mark. In this case, it represents a blank vote for president and vice presidents as well as for congressmen.

B. When in the section of the ballot intended for the vote for president and vice presidents of the Republic, the cross or the x- shaped figure does not appear either on the picture or on the symbol.

C. When the symbol in the section of the ballot intended for the vote for congressmen is not marked.

In any of these three cases the blank votes will not be included for counting.

A VOTE IS NULL...

A. When the voter marks a cross or an x-shaped figure outside the picture or the symbol.

B. When the voter writes another inscription on the ballot, such as the names of parties, candidates, the number of his voter's registration card, his signature, etc.

C. When the vote is made on a ballot that was not provided by the balloting station or that does not have the signature and seal of the balloting station president.

D. When the voter marks with an x-shaped figure or a cross two or more pictures or symbols in the same section, either for president and vice presidents of the Republic or for congressmen.

E. When the voter marks a symbol that is not an x-shaped figure or a cross, such as for example a circle or a square, etc.

F. When the voter marks with an x-shaped figure or a cross in the empty check boxes intended for the "optional votes," or marks the written optional numbers with such, and not the picture or symbol.

G. When the voter marks the picture or symbol with a single line, either diagonal, horizontal, or perpendicular.

H. When the voter decides to use his two optional votes by writing the same number twice. In this case, only one optional vote will be valid.

I. When the voter writes in numbers below one (1) or above one hundred and twenty (120).

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The votes for president and vice presidents of the Republic that are considered null do not invalidate the correct votes for congressmen, or vice versa.

AN OPTIONAL VOTE IS NULL...

A. When the voter marks the symbol and then writes the optional numbers in check boxes that do not correspond to the symbol he marked, only the optional vote is null.

B. When the voter marks the symbol but writes the number of the candidates of his choice outside the respective check boxes, only the optional vote is null.

A BALLOT IS NULL...

A. When the voter signs the slip, writes some identifying data (number of his voter's registration card, name, nickname, and so forth), or anything else on the inside part of the ballot slip.

B. When the voter destroys part of the ballot slip.

When a ballot slip is deemed null, all the votes in it—for president and vice presidents of the Republic, as well as for congressmen—will be invalidated.

OBJECTIONS TO BALLOTS AND VOTES

During the voting scrutiny, any of the members of the balloting table or poll watchers can object to ballots or votes contained in a ballot for the reasons already explained.

The objections must be immediately decided upon either through unanimous decision or by a majority of votes.

Agreement among two of the three members of the table is sufficient. The poll watchers do not have the right to vote.

If it is considered that there are grounds for objection, the vote will not be counted. If the objection is considered groundless, the vote will be counted.

These cases must be included in the Scrutiny Record.

If a poll watcher does not agree with the decision made by the balloting table, he can verbally appeal to the balloting table members. The appeal must be written down in the Scrutiny Record to be afterwards resolved by the Provincial Electoral Court. The contested vote will be placed inside the corresponding envelope (form 7) and will be deposited in the ballot box to be sent to the Provincial Electoral Court.

OBJECTIONS BY THE POLL WATCHERS

The poll watchers can make objections and complaints during the scrutiny, which must be resolved by the balloting table members on the spot. The objection or complaint must be specified in the Poll Watcher's Objection Page (form 6), together with a copy.

These Poll Watcher's Objection Pages must be signed by the balloting table president and by the poll watcher who made the objection. A copy of this page will be sent to the corresponding Provincial Electoral Court, and another copy will be given to the poll watcher who made the objection.

8. What is done with the vote count?

After counting the votes, certain proceedings must still be carried out. Let us see:

1. Fill out the Scrutiny Record in four copies.

Notes referring to figures must be spelled out. For example, if the political party Alfa obtained 50 votes, the word FIFTY must be used.

CONTENTS OF THE SCRUTINY RECORD

1. The number of votes obtained by each list of candidates for president and vice presidents of the Republic.
2. The number of votes obtained by each list of candidates for Congress, as well as the optional votes obtained.
3. The number of votes declared null and blank, indicating whether they corresponded to votes for president and vice presidents or for congressmen.
4. The time the voting began and ended.
5. The name of the poll watchers present during the scrutiny.
6. The list of objections or complaints made by the poll watchers during the scrutiny and the resolutions adopted as a consequence.
7. The signature of the balloting table members and of the poll watchers who chose to sign it.

2. The balloting table president will place in a visible place the results of the Scrutiny Record.

3. Verify that the Electoral Record is appropriately filled in, signed, and sealed in all its parts:
Installation Record.
Voting Record.
Scrutiny Record.

In addition, he must verify that four copies are completed, to be sent to:
Two copies to the Provincial Electoral Court.

A. One copy will be placed inside the red envelope (form S-5).

RETURNING THE RED ENVELOPE

Before all the acts mentioned hereafter, the balloting table president must place the first copy of the Electoral Record in the red envelope for delivery to the Electoral Registry officer or his representative, so that it may immediately be forwarded to the vote count center of the corresponding Provincial Electoral Court.

B. The other copy will then be placed inside the ballot box.

One copy goes to the National Electoral Board, placed inside the green envelope (form S-6).

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One copy goes to a member of the Armed Forces or the National Police in charge of guarding the balloting table.

4. The president will give a copy of the Electoral Record to any poll watcher who may request it.

5. He will then put into the ballot box the copy of the Electoral Record in the yellow envelope, the unused balloting slips, a copy of the Voters List, the contested ballots, the ink pad, and the unused forms. Last, the ballot box will be wrapped with Kraft paper and packing tape, and will be placed inside a plastic bag, compressing the cardboard ballot box. This ballot box will be sent to the Provincial Electoral Court.

6. The president of the balloting table must destroy the uncontested tallied votes and the voting seal used at his balloting table. This act must be witnessed by the members of the balloting table, the poll watchers, and the members of the Armed Forces or the National Police in charge of guarding the polling station.

7. When the district Electoral Registry officer or his representative arrives at the balloting table, the president will give him:
The ballot box.
The envelopes containing the Electoral Record.

The Electoral Registry officer will issue a receipt, in two copies, to certify having received the electoral material.

ANNEXES

ANNEX 1

EXCEPTIONS THAT MAY ARISE IN IDENTIFYING VOTERS

1. When the voter's photograph is not glued to his voter registration card:

The remaining data will be checked against the Voters List (age, level of education, number in the Electoral Registry, signature, etc.) or more adequate procedures will be followed (compare the registration card with other identity documents: military identification card, university identification card, etc).

2. When due to a printing or copying mistake in the Voters List, the name of the voter in the Voters List does not match that on the voter's registration card:

The balloting table will authorize the voter to cast his ballot if the remaining data (voter's registration card number, Registration Book, degree of education, etc.) match that of the Voters List. A note in this regard will be made on the back of the Voters List.

3. When the voter who comes to vote is not the person listed on the Voters List:

The balloting table president will order his arrest, and will file the corresponding charges at the Attorney General's Office the day after the elections.

4. When a person's voter's registration card has the same number and name as those of another citizen who has already cast his vote at the same balloting table:

The voter's identity will be checked, and if it is determined that it is a case of substitution, the vote will not be accepted, and the voter's registration card will be withheld and sent to the Provincial Prosecutor's Office of his jurisdiction with the corresponding charges. The balloting table president will order the authority in charge of guarding the balloting station to arrest the impostor voter.

5. When a person's voter's registration card has the same number, but a different name from that of a voter who has already voted at the same table:

The members of the respective balloting table will verify the identity of the citizen and, if they find that he is pretending to be someone else, they will not accept his vote and will retain his voter's card to pursue the appropriate charge at the Provincial Prosecutor's Office. The balloting table president will order the security personnel safeguarding the polling precinct to place the impostor in custody.

6. When in the process of identifying a voter, the balloting table members find that the voter has his largest (middle) finger marked with indelible ink, leading to the assumption that he has already voted:

The balloting table members will not allow the voter to cast a ballot, and will retain his voter's registration card in order to pursue the appropriate charge with the provincial prosecutor. This must be included in the respective voting record.

ANNEX 2

CASES IN WHICH THE IDENTITY OF A VOTER IS CONTESTED BY POLL WATCHERS ACCREDITED TO THE RESPECTIVE BALLOTING TABLE

If the identity of a voter has been contested by a poll watcher, the balloting table members will immediately make a decision by either sustaining or dismissing the objection. Their decision may be appealed before the Provincial Electoral Board.

1. If the table members choose to uphold the objection, the voter will be allowed to vote.

The balloting table president will proceed to put the ballot of the contested voter inside "an envelope for objections as to the identity of voters" (form 4), will have the voter leave a print of his right forefinger, and will write down the voter's name.

After closing the envelope, the balloting table president will write on it the names of the watcher or watchers who contested the voter and who will have to sign the envelope. Then, he will deposit the envelope inside the ballot box. If they refuse to sign, it will be assumed that

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they have withdrawn their objection. It will suffice for one of the objectors to sign the envelope to make it valid.

A record of the objection and of the balloting table resolution will be placed on the reverse side of the page of the Voter's List containing the name of the contested voter.

After casting his vote, the contested voter—in addition to the appeal that may have been presented—will be remanded to custody by security personnel assigned to the electoral precinct.

2. If the table members choose to dismiss the objection, the voter will be allowed to vote. The table will impose a fine of 100 new soles, in addition to the appropriate criminal charges, against those making the objection. The resolution dismissing the objection may be appealed before the Electoral Board.

Venezuela

Government Takes Actions To Fight Crime at Border

PA1603043895 Caracas Venezolana de Television Network in Spanish 0200 GMT 16 Mar 95

[From "The News" newscast; passages within quotation marks recorded]

[FBIS Translated Text] With the firm determination to fight crime at the border with Colombia, the Venezuelan Government has taken effective actions that will surely contribute to establish security, peace, and development in this remote region of the country.

Through a decree, President Caldera today defined and activated a theater of conflict and a theater of operations at 14 border municipalities in Amazonas, Apure, Tachira, and Zulia states. While the term theater of operations defines the activities of the various Armed Forces commands in the area between Zulia and Amazonas, the term theater of conflict defines the entire border region of the country's four southwestern states. President Caldera also decreed the creation and transfer of two military judgeships, two military prosecutor's offices, and two military defense offices that will be tasked with the administration of military justice on anyone committing crime at the border:

[Guillermo Alvarez Bajares, head of the Central Information Office] "The presence of the Armed Forces and military courts will surely help the government act much more efficiently, rapidly, and dynamically.

[Unidentified reporter] "Will these courts be special courts, or do they have special functions?

[Alvarez Bajares] "No, no. These are not special courts. These are military courts with the functions assigned to them by the Military Justice Code."

Defense Minister Moises Orozco Graterol has announced that Task Force 1.1 will disappear and also commented on the reported guerrillas' threat on Colombian energy centers:

[Orozco Graterol] "All we have so far is an extortion attempt through a document sent to Corpoven apparently with the idea of negotiating the corporation's budget. Of course, this was not accepted. No additional information on their activities has been received."

As for the deportation of Colombian citizens who are in the country illegally, acting Foreign Minister Roy Chaderton has confirmed a note has been received from the Colombian Government asking Venezuela for an explanation of the measure:

[Chaderton] "We have talked sufficiently with Colombian diplomats.

[Reporter] "Is this a protest note?

[Chaderton] "No."

In this regard, Government Minister Ramon Escovar Salom has said anyone living in Venezuela illegally should be deported.

[Escovar Salom] "Venezuela does not have to accept in its territory any individuals who do not have their papers in order."

President Caldera will officially activate the Armed Forces theater of operations in Guasdualito on 18 March.

Venezuela is legally entitled to defending itself and does not have to request permission from any foreign country that attacks Venezuelan garrisons or violates its territorial sovereignty. Hot pursuit is a legitimate Venezuelan right to counter the vandalistic actions of Colombian groups attempting to destabilize the country. Any foreign aggression must be promptly repelled by the Venezuelan Army:

[Valmoore Acevedo, Border Affairs Commission president] "As the Constitution stipulates, the Venezuelan people have the duty of defending the country, and the organizations officially in charge of defending the country should all the more obey this order to defend the national territory, a defense which is also the exercise of a right."

As for the protection of Venezuela's basic industries, the Armed Forces are prepared for any contingency. According to General Italo del Valle Allegro, a member of Copaz [Peace Commission], the Colombian irregulars will have to suffer the consequences of their actions:

[Del Valle Allegro] "The Colombian Government must understand that Venezuela cannot go on being the object of these aggressions without their doing absolutely nothing and without our not reacting in any way. What will be our reaction? The situation will tell."

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Nelson Devia, governor of Amazonas State, has discussed the need to repopulate the Venezuelan border area and added that hundreds of Venezuelan detainees were released:

[Devia] "We expect the others to be released promptly. The people have approved of the fact that involved Venezuelans have just been released."

Some analysts say hot pursuit could be the pretext the Colombian Government is seeking to invade Venezuela. Venezuela trusts its government and the Armed Forces' defense capability.

Colombia Denies Entry of Troops To Fight Guerrillas

PA1603042895 Caracas Venezolana de Television Network in Spanish 0200 GMT 15 Mar 95

[From "The News" newscast]

[FBIS Translated Text] Colombia has denied President Ernesto Samper has said he agrees Venezuelan troops may enter Colombian territory to fight guerrillas. A Santa Fe de Bogota television newscast has presented a report in which the Colombian president, who is touring Europe, has said he has agreed Venezuelan soldiers should be allowed entry to Colombia to fight guerrillas.

Defense Minister Fernando Botero has said the Colombian Government's position is to carry out joint operations by the Armed Forces of the two countries against the guerrillas in their respective territories and to study the possibility of hot pursuits.

At the end of February, Colombian left-wing rebels attacked the Cararabo River post in Apure State, murdering eight soldiers and stealing the arsenal. Botero has said the most appropriate manner to handle the guerrilla challenge on the border is through joint and coordinated operations of Venezuelan and Colombian military forces.

Deputies Review Guerrilla Pursuit Policies

PA1603134195 Caracas Venezolana de Television Network in Spanish 0200 GMT 15 Mar 95

[Report by Melisa Soto from "The News" newscast]

[FBIS Translated Text] The Chamber of Deputies discussed on Tuesday measures the executive branch should adopt regarding the pursuit of guerrillas inside Colombian territory.

Haydee Castillo, chairperson of the foreign policy commission, believes that hot pursuits should only be carried out as far as the Colombian Army is positioned to avoid confrontations between the two governments.

[Begin Castillo recording] This must be handled with extreme caution by both countries. I also believe it should be dealt with very cautiously by both countries' media because this is no game. This is something very serious and the human lives of Venezuelans and Colombians are at stake. [end recording]

The Chamber of Deputies unanimously approved on Tuesday an agreement in which it repudiates the attack on our Armed Forces and likewise rejects the indifference displayed up to now by the Colombian Government.

[Begin Carmelo Lauria, president of the Chamber of Deputies, recording, in progress] ...the position of the Chamber of Deputies, likewise demands that the Colombian Government comply with its international obligations, and supports the actions by our government and Armed Forces—just as our president said—in the legitimate defense of our rights and borders. [end recording]

The Chamber of Deputies representatives also urged the Venezuelan Government to strengthen the overall development of our border areas, as well as encourage the Armed Forces to guarantee our national sovereignty.

Minister Does Not Favor Joint Force To Fight Guerrillas

PA1603042295 Caracas EL GLOBO in Spanish 15 Mar 95 p 2

[Report by Angel Suarez Molero]

[FBIS Translated Excerpt] Defense Minister Moises Orozco Graterol does not favor deploying at the border a joint force to fight Colombian guerrillas but does believe Venezuela should pursue them as far as the Colombian border when these irregulars attack military garrisons or Venezuelan villages. This action is called "hot pursuit," he said at the Miraflores building yesterday. "The Army gives pursuit immediately after an attack. In such an instance, the border is not taken into consideration. We keep up with the pursuit until we get in touch with Colombian troops," he said. [passage omitted]

After presenting to President Caldera a report describing the new theater of operations to be opened in Guasdualito on 18 March, Orozco held a news conference during which he reported on the arrest of a Venezuelan citizen said to have participated in a negotiation to buy arms from Argentina, arms that reportedly had been diverted to Ecuador.

Orozco declined to state whether General Francisco Leon de Alessandro, retired, had been arrested, because, he said, the matter is still under investigation. Nevertheless, he rejected a report stating the Venezuelan Government had bought this armament from Argentine President Carlos Menem. Orozco did admit the Armed Forces had detained an officer by the name of Pirela.

During the news conference, Orozco mentioned a report by Foreign Minister Ramon Escovar Salom about uncovering a subversive plan involving several former officers and civilians, all of whom have been arrested. Asked about reports that homes had been broken into

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and searched in Caracas, Valencia, Maracaibo, and Barinas, the minister said he did not know whether the DIM [Military Intelligence Directorate] had arrested anyone for this reason, much less Hugo Chavez. To tell the truth, I do not know what actions other security organizations have taken regarding MBR-200 [Bolivarian 200 Revolutionary Movement] or Chavez. DIM has arrested no one or broken into any home in relation to this case, he added.

Regarding the arms from Argentina, Orozco said: "We have no record of a purchase order or contract with Argentina for buying arms." "We are conducting an investigation with one of the individuals said to be the seller's representative. We will report about this matter later, because such reports sometimes hamper the investigations. We have no desire to let the guilty escape." Orozco believes certain people may have spoken in the name of Venezuela without authorization. [passage omitted]

ELN, FARC Threaten To Destroy Oil Installations

PA1603025495 Caracas EL NACIONAL in Spanish 15 Mar 95 p D-8

[Report by Gustavo Azocar]

[FBIS Translated Text] San Cristobal (Special)—The so-called Army of National Liberation [ELN] and the Revolutionary Armed Forces of Colombia [FARC] have sent several communiques to crude oil officials who work along the border, warning they will destroy Maraven and Corpoven installations located in Zulia and Apure States if a large ransom is not paid.

The information, made public by military intelligence sources, states that Colombian guerrillas have threatened to blow up "La Solita" pumping and shipping station located at the mouth of the Catatumbo River, in Lake Maracaibo, if they were not paid a large ransom amounting to several million bolivares.

The guerrillas have also warned they had been able to fully identify each of the Venezuelan oil installations situated in Zulia State as well as in Apure State. They have also warned they would begin executing operations at each of the stations owned by Corpoven and Maraven along the Colombian-Venezuelan border if they did not receive the payment soon.

According to military intelligence reports, the guerrillas have said they had been able to gather up-to-date information on the Petroleum Storage Agreement in Casigua "La Colina," the "El Calvario" and "El Capitan" pumping stations in Encontrados and Santa Barbara del Zulia, respectively. According to the intelligence reports, they also had information on the "El Caramelo" station near Casigua, El Cebo and the "Emmanuel" stations near Catatumbo, as well as Corpoven installations located in the Paez municipality of Guafitas, Apure State.

The intelligence report discloses that "certain high-ranking officials involved in crude oil along the border have been contacted by Colombian guerrillas warning sabotage operations will be implemented against their installations if ransom is not paid."

The guerrillas, the report states, are prepared to execute operations similar to the one they have been carrying out against the Cano Limon Covenas pipeline, which has been blown up no less than 100 times, resulting in considerable economic losses and the progressive damaging of the environment and the ecosystem, given the crude oil that is spilled goes directly into the waters of the Catatumbo River and flows later into Lake Maracaibo.

Seized Documents Reveal Guerrilla Plans

PA1103203295 Caracas EL NACIONAL in Spanish 9 Mar 95 p d-1

[Report by Jesus Eduardo Brando]

[FBIS Translated Text] Intelligence officials have seized documents which indicate that the world must be made aware that Colombia's liberation forces are a political-military reality in a liberated territory. The documents were captured at the strategic theater of operations established in southeastern Colombia following the 26 February attack on the Cararabo military post, located on the banks of the Meta River in Apure State. Eight marines were murdered and four others were wounded in the attack.

Our sources indicate that the emphatic assessment stems from a political manifesto of the so-called "Simon Bolivar National Guerrilla Coordinating Board [CNGSB]," whose joint command includes representatives of the Revolutionary Armed Forces of Colombia (FARC), the Popular Liberation Army (EPL), and the Army of National Liberation (ELN). These groups may have been joined by the Patriotic Union [UP], the FARC's political arm, and dissident members of the 19 April Movement Democratic Alliance (AD/M-19). Each of these groups contends that the time is right for a final multiple offensive.

Evidence of this is the fact that on Sunday, eight days after the Cararabo attack, guerrilla members describing themselves as ELN spokespersons held a news conference in a small community near Puerto Ayacucho in Colombia. The spokespersons claimed that the Domingo Lain Lainz Front was responsible for the attack and denied official allegations from Santa Fe de Bogota that the Armed Forces had captured Rafael Blanco Flores, so-called "Commander Carrillo," who allegedly led the attack.

According to information at the highest military and security levels, such as the National Border Commission, the guerrilla movement may be orienting activities toward three possible goals: 1. using the Samper administration's recognition of the guerrillas as a military force

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as evidence of the government's weakness and of its political-military inability to defeat the insurgent movement, which has existed since 1948; 2. securing a general amnesty and official recognition in order to freely incorporate into Colombia's political life; and 3. consolidating the continuation of the liberated territory, where guerrillas control 47 percent of the geographic area and nearly 200 municipal governments in Guaviare, Guainia, Meta, and Casanare Departments and in other regions bordering Venezuela.

The guerrillas' objective to block the two countries' integration plans could be closely linked to the aforementioned objectives, especially as they relate to territorial control in view of the magnitude of the guerrillas' association with international drug trafficking and the tremendous profit this link represents. Recent statistics disclosed by Washington indicate that cocaine and heroin consumption in the United States has increased 46 percent.

Venezuela's reasoning with respect to the opportunity and propriety of following up the strategic theater of operations declaration with the militarization of the border is aimed primarily at establishing a containment wall to prevent Colombian guerrillas from entering the country. In other words, it would attempt to cut off their safe havens, food, medicine, and weapons and munitions resupply centers. The containment wall would also prevent the establishment of settlements on the Venezuelan side of the border, thus eliminating dual nationality. These factors have facilitated intelligence gathering incursions which allowed the guerrillas to attack military posts, thus consolidating the "third state" project, and to carry out kidnappings and other criminal activities to drive out Venezuelan ranchers.

Our sources indicate that these plans may have been included on the agenda discussed during a Latin American guerrilla leaders summit in the Caribbean, which was possibly attended by Mexico's Zapatist National Liberation Army [EZLN] and other radical groups from El Salvador, Nicaragua, Colombia, and Ecuador.

Concepts

Amid the hypersensitivity the aggression against Cararabo has awakened in the general public, the country's leaders are discussing the meaning and scope the terms militarism and militarization must have in public opinion. In this regard, we think it is timely to advise our readers of the differences between the concepts.

Militarism is understood to mean the "predominance of the military element in the country and of the doctrine that defends it." This is exemplified by the situation in Germany during the ascent to power of national socialism, led by Adolf Hitler during the Third Reich.

Militarization is the use of technical capabilities and the authority of the armed institution to guarantee the operation of the basic public services specified in the Constitution and the basic laws of labor and defense and security, as in the case of air traffic controllers, until civilian society, through its authorities, solve the problems through dialogue and conciliation. According to legal and military doctrine, this concept should be applied discreetly and temporarily.

Interior Minister: Government Foiled Destabilizing Plot

PA1603042595 Caracas Venezolana de Television Network in Spanish 1550 GMT 15 Mar 95

[From "The News" newscast]

[FBIS Translated Text] Interior Minister Ramon Escovar Salom has announced the government has foiled a new plot aimed at destabilizing the system and triggering a second shake-up. He made this statement at the conclusion of a meeting with the Security and Defense Cabinet held at the Interior Ministry building. Escovar has said certain groups are interested in manipulating sectors of the population to incite them to riot and prompt disturbances and disruptions of public order:

[Begin Escovar recording] The government is unwilling to allow these disruptions, because the entire country wants peace and calm. Those who intend to dispense with the aspiration to peace and stability that most Venezuelans have will meet face to face with the determination of the government and the nation together. [end recording]

In this regard, the Disip [Directorate of Intelligence and Preventive Services] has arrested a group of activists from the 200 Bolivarian Revolutionary Movement headed by Hugo Chavez Frias, who went to the Attorney General's Office to guarantee the constitutional rights of those arrested. Chavez has denied he has ties with the Colombia guerrillas:

[Begin Chavez recording] I have not talked to any guerrilla commander, and I am unwilling to do so, let alone now that they have attacked our naval post at Cararabo, an attack which we have categorically rejected and termed as an irrational attack that does not follow any ethical or military principles in any type of war. [end recording]

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